TRANSPOWER

Waikoukou
22 Boulcott Street
PO Box 1021
Wellington 6140
New Zealand
+64 4 495 7000
www.transpower.co.nz

25 July 2025

Ministry for the Environment
Manatū mō te Taiao
PO Box 10362
Wellington 614

By Email: ndprogramme@mfe.govt.nz

Phase 2 National Direction – Submission from Transpower New Zealand Ltd

Transpower appreciates the Ministry for the Environment's ongoing efforts in developing the Phase 2 National Direction, particularly as it relates to the electricity sector. We acknowledge and welcome the improvements officials have recommended within the proposed National Policy Statement for Electricity Networks (NPS-EN) and the National Environmental Standards for Electricity Network Activities (NES-ENA) documents. These represent positive steps towards a more enabling regulatory framework for electricity transmission, which is crucial for New Zealand's decarbonisation and electrification goals.

While the Phase 2 proposed documents are improved on the current national direction for electricity, they are not a complete solution for accelerating the electrification of New Zealand's economy. Our submissions detail critical areas where tensions between Section 6 (RMA) matters and national direction still exist. These unresolved tensions will continue to perpetuate uncertainty and hinder the pace and scale of electricity transmission development required to meet New Zealand's emission reduction targets. Given the Phase 2 national direction could exist and play a role in resource management decision-making for five years or more as Phase 3 policy is developed, passed into law and then implemented, it is imperative that these conflicts are definitively resolved within the national direction now.

Transpower is committed to enabling New Zealand's energy transition, as highlighted in our "*Te Kanapu*" initiative, which outlines the development of our future grid blueprint to power Aotearoa. Rapid expansion of renewable electricity generation and robust transmission infrastructure are essential to meet increasing demand and achieve our nation's climate change commitments. While we appreciate the progress made, we look forward to continuing our engagement with officials on Phase 3 of the reform programme, which we believe holds the key to truly unlocking the potential for New Zealand's electrification and securing a thriving, sustainable energy future for Aotearoa.

Yours sincerely

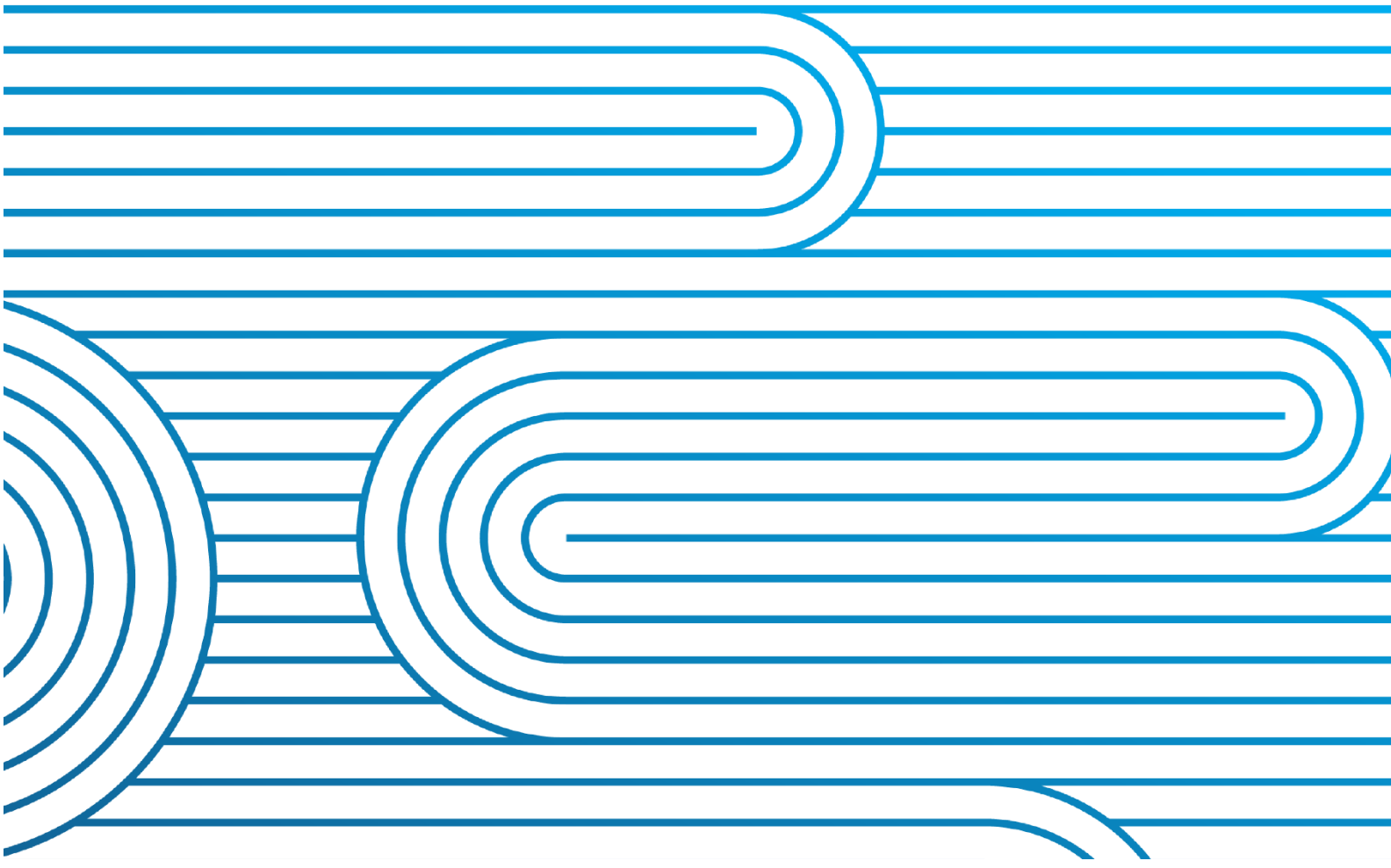
Raewyn Moss
EGM, Customer & External Affairs

TRANSPOWER

Submission by Transpower New Zealand Limited

Amendments to the National Policy Statement for Renewable Electricity Generation

25 July 2025



Amendments to the National Policy Statement for Renewable Electricity Generation

Ministry for the Environment
By email: ndprogramme@mfe.govt.nz

Transpower's address for service is:

Transpower New Zealand Limited
PO Box 1021
Wellington 6140

Attention: Daniel Hamilton, Strategic Planning Lead
Email: Daniel.hamilton@transpower.co.nz
Phone: (03) 590 6926

1.0 Introduction

As the owner and operator of the National Grid, a key part of the electricity system, Transpower New Zealand Limited (**Transpower**) welcomes the review of the National Policy Statement for Renewable Electricity Generation (**existing NPS-REG**). Like the National Policy Statement for Electricity Transmission, the existing NPS-REG is no longer fit for purpose. It is weakly drafted when compared with the strongly protectionist provisions in newer national policy statements.

As set out in our submission, generation must be enabled – not merely to provide climate change mitigation – but to ensure a reliable and secure supply of electricity to the country. A directive and strongly enabling NPS-REG is required to achieve this outcome. The proposed amendments to the NPS-REG, set out in the consultation, will not assist in achieving this outcome. More is required.

Introduction to Transpower New Zealand Limited, including its role as System Operator

Transpower is a State-Owned Enterprise that plans, builds, maintains, owns, and operates New Zealand's high voltage electricity transmission network – the National Grid. The National Grid links generators to distribution companies who provide supply to consumers, and major industrial users. It extends from Kaikohe in the North Island to Tiwai in the South Island and carries electricity throughout New Zealand.

Transpower's main role is to ensure the reliable supply of electricity to the country. Transpower is not a generator of electricity and has no retail sales of electricity. It can be considered a 'freight company' for electricity, in that it carries bulk electrical energy from where it is generated to the local distribution companies and some major users of electricity.

Transpower is also responsible for managing the power system in real time, a role referred to as the 'System Operator'. As part of this role, Transpower operates the electricity market to ensure electricity transmitted through the Grid is delivered whenever and wherever it is needed, 24 hours a day, seven days a week. We balance electricity demand and supply and are responsible for providing market information and forecasting to the industry about security of electricity supply.

Transpower plays a significant part in New Zealand's economy, with all major industries, cities and communities being reliant on a secure and reliable supply of electricity. Figure 1 is a schematic of the electricity industry in New Zealand, with the National Grid assets being represented as 'Transmission' and 'Substations'. System operations and running the electricity market sit in the centre of the electricity system.

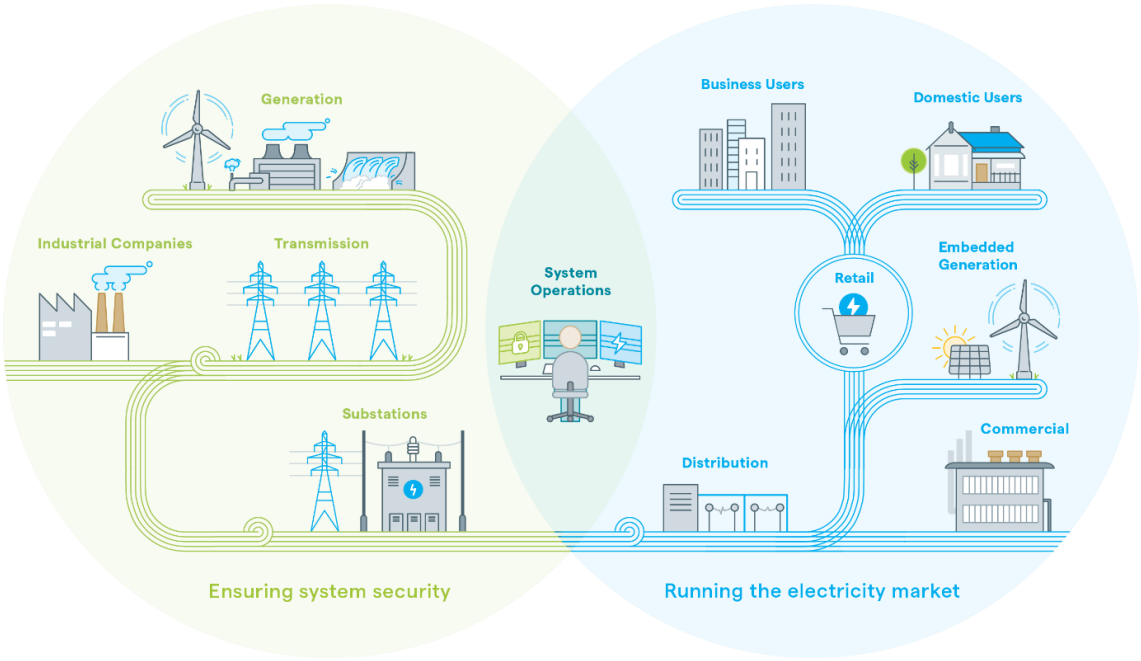


Figure 1. Electricity Industry in New Zealand (Source: MBIE).

Short and long-term views of electricity needed for the country

A key part of our role as system operator is to provide information about how much electricity New Zealand will need over both the short and longer term. Our shorter-term views help guide the operational decisions needed to keep the lights on day-to-day. Our longer-term views are used by market participants to help guide investment decisions, including about development of new generation.

Electrification is well underway across Aotearoa New Zealand and is set to pick up pace as we increasingly shift towards using electricity from clean, renewable energy sources to power the way we live and work.

As set out in one of Transpower's key strategic documents, *Whakamana i Te Mauri Hiko*, this energy transition must be a high priority for New Zealand if we are to meet our climate change targets and our related international commitments.

In addition to providing climate change mitigation, electrifying the economy can deliver gains across each part of the energy trilemma, delivering affordable, sustainable and reliable energy to power our homes and the economy.

By 2050, Transpower expects Kiwis to be using around 70% more electricity than currently[1]. To enable this transition and to help the country thrive, the industry must be set up to build the new renewable generation required.

[1] This is based on the Accelerated Electrification scenario in *Whakamana i Te Mauri Hiko*.

Some of these new wind and solar farms – and critical technologies, such as the batteries that support them – will connect directly to the National Grid. Others will be embedded through local electricity distribution networks across the country.

These assets need to be consented and built in order for New Zealand to electrify, grow our economy and meet our 2050 climate change targets. The proposed NPS-REG should enable all of these assets, including their consents, when required.

Transpower analysis shows action is needed now

As discussed above, one of Transpower's key roles is to predict how much electricity we will need to power the country now and out into the future. We take a long-term view through Whakamana i Te Mauri Hiko and other related work, and we also look at more immediate and medium-term horizons. Our main view of the balance between electricity supply and demand across the medium-term is our annual Security of Supply Assessment (SOSA).

Our most recent Security of Supply Assessment, released at the end of June 2025, looks out at the decade through to 2034. The results of that assessment are mixed. While there has been significant investment in new generation and batteries in recent years, a faster-than-expected decline in gas availability for electricity generation means there is a real tightening of the balance between supply and demand.

Critically, we are set to dip below one of our key security standards – the New Zealand Winter Energy Margin – as early as 2026. This is a key measure of whether we have enough energy to power the country across the winter. When we released the equivalent assessment last year, we did not expect to fall below this margin until 2030.

While this forecast does not mean there will be power cuts next winter, it does increase the risk and provides further evidence of a need for the acceleration of investment in new electricity sources. This need is further underscored by the impact that tight supply has on wholesale power prices. Some businesses found it impossible to continue operation on the back of high power prices last winter. The stakes are very real for communities across the country if a failure to develop sufficient generation undermines economic growth.

The key takeout from our SOSA analysis is that the situation remains tight over the next five years then deteriorates over the rest of the decade if we just look at consented generation where there is commitment to delivering. If we include consented projects that are on hold and/or requiring reconsent and projects that are expecting consents to be granted, the picture improves significantly.

But for the situation to improve, renewable generation facilities need to get consented and built.

We need to move faster

Our Security of Supply Assessment shows that the electricity sector is already responding to the challenge with a 350 MW increase in newly commissioned generation since the last assessment in 2024. This new generation is around 3.5% of existing installed generation capacity, which is enough to power Wellington, the Hutt Valley and Kapiti on the average weekday.

The quantity of consented projects has also increased by approximately 1,500 MW since the last assessment, or 15% of current installed capacity. The quantity of planned projects that do not currently have consent has increased by 2,600 MW.

These movements indicate that the supply pipeline is being developed and continues to expand. However, not all of the consented projects are certain to be delivered due to commercial and other considerations, and uncertainty is even higher for unconsented projects. There is a real risk that many of these projects could be delayed, deferred or dropped.

This commercial reality makes it essential for New Zealand that we pick up the pace and move planned projects quickly through the financing, consenting, design, build and commissioning phases so that they can start contributing much-needed megawatts to the electricity system. The NPS-REG is a key enabler for consents being granted.

2.0 Submission Overview

Accepting that Transpower does not generate electricity, the proposed National Policy Statement for Renewable Electricity Generation (NPS-REG) is highly relevant to the National Grid given the connection between the generation of electricity and its transmission throughout the country. The two activities are inextricably linked in that the generation is required to connect to the electricity transmission network (ETN), and the network can't function properly without sufficient generation. The proposed National Policy Statement for Electricity Networks (NPS-EN) and the proposed NPS-REG must clearly define their respective applications.

Ensuring effective and efficient alignment between generation and transmission reduces costs and the potential for impacts on the environment, it also ensures that there are no unintended barriers between generation and transmission activities establishing and continuing. It is important that the NPS-REG and the NPS-EN are clearly linked and compatible – at present, the approach and wording between the two documents could be improved. It is crucial for achieving New Zealand's electrification overall that the NPS-REG is sufficiently enabling of new renewable electricity generation and that renewable electricity generation (REG) is able to connect to the National Grid efficiently. At a high level, Transpower is concerned that the intent of the amendments to the NPS-REG will not address the problems articulated in the discussion document.

In this submission Transpower is cognisant that while it has a strong interest in the NPS-REG, its actual application to the ETN is limited. As such Transpower recognises that the electricity generators are best placed to comment on specific wording and concerns with the NPS-REG.

Amendments requested through this submission are provided throughout this submission (shown as blue text).

To assist officials in understanding the relief sought in the Transpower submissions on the various national direction instruments, Appendix A provides a summary of the submissions and amendments requested.

3.0 Definitions

Proposed definitions within the NPS-REG of specific relevance to the electricity network and Transpower response are as follows:

NPS-EN Definitions		Transpower Response
D5	***Electricity networks*** *Introduce a new definition that has the same meaning as in the proposed National Policy Statement for Electricity Networks.*	Support on the basis it provides consistency with the NPS-EN.
D12	***Renewable electricity generation activities (REG activities)*** *means* *a) the investigation, construction, operation, maintenance, upgrade, repowering and decommissioning of REG assets;* *b) the storage of generated electricity;* *c) the conveyance of generated electricity to electricity networks or directly to end users; and* *d) all relevant ancillary REG activities associated with REG assets; but* *e) does not include electricity network assets owned and operated by Transpower NZ Limited or an electricity distributor.*	Support. Transpower supports the clarification that REG activities exclude the National Grid (and therefore that Grid connections used or owned by Transpower are subject to the NPS-EN.) Transpower has sought clarification within the definition of '*Customer driven project*' within the NPS-EN that are part of the ETN, be governed by the NPS-EN and not the NPS-REG. Transpower would support similar clarification being provided within the NPS-REG, and could be placed in the 'Application' section. An amendment is sought to clause e) of the

		definition of REG activities to clarify it is assets 'owned or used' by Transpower, as Transpower does not need to own and operate the assets for them to form part of the ETN. The amendment would be consistent with the NPS-EN. Amendment is requested as follows: *e) does not include electricity network assets owned ~~and operated~~ or used by Transpower NZ Limited or an electricity distributor.*
D13	***Renewable electricity generation assets (REG assets)*** *means the physical components and structures for renewable electricity generation and includes:* *a) the supporting infrastructure and assets required to generate and store electricity, such as monitoring equipment, cabling, access tracks and roads; and* *b) the infrastructure required to convey generated electricity to electricity networks or directly to end users.*	Support on the basis it clarifies that the infrastructure to convey the electricity to the EN (that are not used or owned by Transpower), are subject to the NPS-REG. Transpower would support clarification as per clause e) of the above definition, that REG assets: *does not include electricity network assets owned or used by Transpower NZ Limited or an electricity distributor.*

4.0 Objective

Objective
1) Renewable electricity generated in New Zealand: *a) increases in a rate and manner necessary to support the achievement of New Zealand's emission reduction and energy targets and associated plans under the Climate Change Response Act 2002;*

b) *provides greater resilience to disruptions to electricity supply;*

c) *provides for the social, economic and cultural well-being of people and communities, and for their health and safety; while managing the adverse effects of REG activities.*

Transpower notes that the NPS-REG changes are intended to improve efficiencies and outcomes, support fit-for-purpose infrastructure, coordinate with development, meet needs of people, communities and the environment, enable opportunities and choice for housing and support development in areas with reduced risk. This intention is supported by Transpower. However, Transpower is concerned that the wording of the proposed new objective is not as directive or enabling as it should be, given the short and long-term views (discussed earlier in this submission) on Aotearoa's forecast electricity demand. Given there is only one objective within the NPS-REG, it is essential that it provides very strong and clear direction on the importance nationally, regionally and locally of renewable electricity generation and the intent to enable this to operate and expand.

5.0 Policies

Transpower supports the intent to ensure that the policies provide clear direction and support for continuing and developing renewable electricity generation.

Policy C1 is an amended version of Policy C1 in the gazetted NPS-REG. While Transpower supports Clause 2) b) "*be accessible to electricity networks and nearby to electricity demand*", Transpower supports retention of the words "need to connect" within the gazetted NPS-REG given it highlights that a connection is required and ensures that connection issues are considered at the time of REG consenting. Transpower generally owns the connections between the National Grid and new electricity generation and is often responsible for obtaining the necessary RMA approvals for these. The location of the connection is dependent on the location of the new generation and the closest point on the existing National Grid. Because of this, Transpower often has very few options for where the connection is located and the values it impacts. These issues should be considered at the time the new electricity generation is consented, to ensure that consents for connections will be forthcoming.

As outlined in its submission on the NPS-EN, Transpower is concerned by the lack of a clear approach to managing effects (whether through an effects management hierarchy or another method). Transpower considers that proposed new NPS-REG Policy P2 should be reconsidered and reframed to provide clear guidance on the expectations for management of effects, particularly in relation to Section 6 RMA values (such as for landscapes or heritage) or covered by another NPS.

Appendix A

To assist officials in understanding the relief sought in the Transpower submission on the various national direction instruments, the following provides a general summary of the submissions and amendments requested.

Package 1 Infrastructure and development

National Policy Statement for Electricity Networks - NPS-EN

Transpower is generally supportive of the NPS-EN and in particular the 'benefits' and 'consideration/recognition' policies and the introduction of P10 for the protection of the electricity network ('EN'). However, it has concerns with the lack of reconciliation of matters subject to Section 6 of the RMA and other national direction in the interim, until the Phase 3 changes are enacted and the transition to the new system is complete. Transpower supports in principle the inclusion of the electricity distribution network.

The primary points and amendments requested by Transpower are:

- Clear implementation requirements and inclusion of 'readymade' provisions for inclusion in plans.
- Confined refinement to definitions for *Customer driven projects, Decision makers, EN assets, EN line, Routine EN* activities*, Sensitive activities,* and *Upgrading*, and inclusion of a definition of *Transmission line or distribution line)*.
- Support for the objective, with confined amendment requested to clause b. and e. and rewording of clause f.
- P1 - amendment to clause 2) e) i) to recognise expanded or increased REG, and inclusion of reference to the broader issue of climate change mitigation.
- P2 - amendment to clause 2) b) to recognise the different needs, technical requirements and therefore scale of the EDN and ETN, and a new clause to recognise the need for EN to locate in hazard areas.
- P3 – confirmation as to how clause a) will be given effect to.
- P4 and P5 – support with minor amendments.
- P6 – amendment to apply the policy to significant adverse effects, and amendment to the avoid, remedy or mitigate where practicable policy directive.
- P8 – amendment to the chapeau to replace 'upgrades' with 'non-routine', and insertion of 'where appropriate' at the start of the policy.
- P9 – support.
- P10 – confined amendments to clause 1) to refer to activities.
- P11 – amendment to refer to strategic planning documents.
- P12 – amendment to broaden application ('Electric and magnetic fields' policy).

- Significant amendments are requested to P7 to provide a complete policy framework for non-routine and new development ET activities that would apply to all environments, including matters subject to Section 6 and other national direction.

National Environmental Standards for Electricity Network Activities - NES-EN

Transpower supports the amendment and updating of the NESETA to respond to the increasing challenges of enabling electrification.

The primary points and amendments requested by Transpower are:

- Refinement and correction to some definitions, including ensuring consistency with the NPS-EN.
- Reframing of Regulation 4 to reflect requested amendments and clarify application of the NES-ENA.
- Refinement of the noise standards within Regulations 6 and 10, and inclusion of a definition for 'Assessment point'.
- Expansion of Regulation 23 to permit signage within the bed of a lake, river, stream or coastal marine area.
- Amendment to Regulations 30-32 relating to Trimming, felling, and removing trees and vegetation.
- Amendment to Regulations 33-35 relating to earthworks, including removing the exclusion of regional earthworks rules within Regulation 4.
- Amendment to Regulation 36 to manage soil disturbance on contaminated land, and removing the application of the NES-CS.
- Inclusion of regional rules for Waterway Crossings, Groundwater take and use, dewatering; Structures and works in the coastal marine area; and Works within the bed of a lake or river.
- Minor amendments (corrections) to the Part 4 Rules for the National Grid Yard and Corridor, and insertion of inclusion of the yard and corridor provisions from the AUP.

National Policy Statement for Infrastructure - NPS-I

Noting the NPS-I does not apply to the ETN, Transpower generally supports the proposed direction outlined in the NPS-I. Notwithstanding the general support, Transpower prefers the wording within the NPS-EN in so far as the application of any policies to the ETN. As with the NPS-EN, a principal concern of Transpower is the lack of reconciliation between the enabling provisions of the NPS-I and other 'protective' forms of national direction (and Section 6 RMA matters in general).

The primary points and amendments requested by Transpower are:

- Refinement and correction to some definitions, including ensuring consistency with the NPS-EN.
- Amendment to clause f) of the objective to reflect the 'proportionate' approach under the NPS-EN.
- Support for policies, with amendment to policies P1, P3, P6 and P7.

- Significant amendments are requested to P8 to provide clear guidance on the expectations for management of effects, particularly in relation to Section 6 RMA values such as for landscapes, indigenous biodiversity and historic heritage.
- Concerns if P9 and P10 were applied to the ETN.

National Policy Statement for Renewable Electricity Generation - NPS-REG

While Transpower's main role is to ensure the reliable supply of electricity to the country, Transpower is also responsible for managing the power system in real time, a role referred to as the 'System Operator'. As part of this role, Transpower operates the electricity market to ensure electricity transmitted through the Grid is delivered whenever and wherever it is needed, 24 hours a day, seven days a week. In this way, we balance electricity demand and supply. To ensure this balance, Transpower is responsible for providing information and forecasting to the industry about security of electricity supply.

Transpower is cognisant that while it has a strong interest in the NPS-REG, its actual application to the ETN is limited. As such Transpower recognises that the electricity generators are best placed to comment on specific wording and concerns with the NPS-REG. At a high level, Transpower is concerned that the intent of the amendments to the NPS-REG will not address the problems articulated in the discussion document. On this basis, Transpower has requested limited amendments to the NPS, with those sought confined to refinement and correction to the definitions of *REG activities* and *REG assets*.

National Environmental Standards for Telecommunication Facilities - NES-TF

Noting Transpower's confined use and interaction with the NES-TF, in principle Transpower is supportive of the proposed changes to the NES in so far as it applies to the ETN, acknowledging that other users of the NES may have broader concerns. In particular Transpower supports the new state of emergency provisions. Transpower requested clarification as whether the NES-ENA or NES-TF manage Optical Ground Wire ('OPGW'), with specific wording requested to address the issue.

National Environmental Standards for Granny Flats - NES-GF

Transpower is neutral on the overall objective and the majority of provisions in the NES-GF. However, Transpower requests clarity on the relationship to the NES-ENA. It is requested that the NES-GF is amended by adding reference to Part 4 of the NES-ENA (the corridor provisions).

National Environmental Standards for Papakāinga - NES-P

Transpower is neutral on the overall objective and the majority of provisions in the NES-P. However, Transpower requests clarity on the relationship to the NES-ENA (noting ET is not included within *PAS3 Applicable rules of the underlying zone*). It is requested that the NES-P is amended by adding reference to Part 4 of the NES-ENA (the corridor provisions).

National Policy Statement for Natural Hazards - NPS-NH

Transpower supports the NPS-NH not applying to infrastructure. However, despite this exclusion, the NPS-NH states this NPS does not limit local authorities from managing natural hazard risk beyond the application of the NPS. Transpower is concerned this non-limitation could mean local authorities could apply provisions for infrastructure (including the National Grid) despite the specific exclusion in the NPS-NH. Transpower seeks this non-limitation be clarified/confined.

Package 2 and 3 - Primary Sector, and Freshwater

National Policy Statement for Freshwater and National Environmental Standards for Freshwater

Acknowledging the confined scope of the proposed amendments within Package 2, Transpower has provided general comments on the discussion points for Package 3, including concerns with any delay in the identification of wetlands; that Regulations 46(4)(b), 46(4)(c) and 46(4)(d) of the NES-F not apply in relation to altering, relocation and replacing support structures, transmission line removal, tree trimming and earthworks; and that 'operational need' be included for specified infrastructure (as is proposed for quarries as part of Package 2). Other matters to be addressed relate to how upgrading is managed within the NES, the lack of provision for Specified Infrastructure ancillary activities, the ability for councils to impose more stringent rules, and the offsetting and compensation principles when applied to existing electricity transmission assets.

New Zealand Coastal Policy Statement - NZCPS

Transpower supports the amendments to Policy 6, and specifically the amendment to recognise that electricity transmission (as a priority activity) may have an operational need to locate in the coastal marine area. Notwithstanding its support and the proposed changes to Policy 6, Transpower is cognisant the NZCPS requires the avoidance of all adverse effects in valued areas, and the avoidance of significant adverse effects in all other areas (referred to as the 'protection policies' within the discussion document). The amendments proposed to the NZCPS and in the NPS-EN neither recognise or reconcile these tensions, or provide a policy pathway for recognised activities when read alongside protective NZCPS policies, despite the recognition of 'operational need' within the NZCPS or how 'enabling' the NPSET/NPS-EN policies are expressed to be. While Transpower understands that reconciliation of the major tensions will occur as part of the replacement of the RMA in Phase 3 of the reform, and therefore the policy 'gap' and tensions are an interim issue, given the significance of the issue and need to enable electricity transmission (and renewable electricity generation) as soon as possible, Transpower would support the policy gap being addressed in the interim to provide certainty. Suggested additional wording to Policy 6 is requested in the Transpower submission.