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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

Submission by Transpower New Zealand Limited

Proposed provisions – New National Policy Statement for Natural Hazards

National direction consultation – Package 1: Infrastructure and development

25 July 2025

Proposed provisions – New National Policy Statement for Natural Hazards

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

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1.0 Introduction

Introduction to Transpower New Zealand Limited

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 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 plays a significant role 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'.

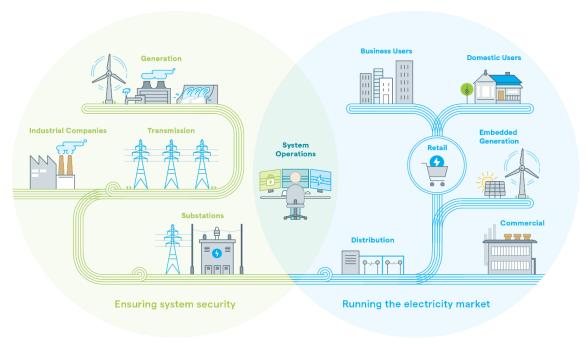


Figure 1. Electricity Industry in New Zealand.

Transpower is the backbone of New Zealand's energy future. As the owner and operator of the nation's 11,000 km high-voltage electricity transmission network – our National Grid – we are responsible for powering every home, business, and industry from Kaikohe to Tiwai Point. This extensive, interconnected system, supported by nearly 200 substations and a sophisticated telecommunications network, is more than just infrastructure: it's a strategic national asset.

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Crucially, the National Grid is at the heart of New Zealand's climate response. Our nation's ambition to achieve climate change objectives, including net-zero greenhouse gas emissions by 2050, hinges on the rapid electrification of the economy, a shift that will see electricity demand more than double by 2050. This transformation demands a resilient and reliable electricity system, making Transpower's role more critical than ever.

To meet this unprecedented demand, we face a significant undertaking: strengthening the National Grid to support massive growth in renewable electricity generation. This includes an estimated 60-70 new Grid connections over the next 15 years, alongside 10-20 major core Grid upgrades by 2035. These are not minor adjustments; they are foundational projects essential for New Zealand's social, economic, and environmental wellbeing for decades to come. The resource management system must become more enabling of rapid electrification if we are to support a secure supply as we electrify and grow Aotearoa.

Natural Hazards and The National Grid

Transpower, as the owner and operator of New Zealand's National Grid, faces significant challenges from natural hazards, which increasingly impact grid resilience. Recent events like Cyclone Gabrielle and the Auckland Anniversary weekend floods in 2023 have underscored the vulnerability of infrastructure to severe weather, leading to substantial outages and disruptions.

Operating such a vast and linear network presents unique challenges. In connecting fixed points like energy generators to towns and major industries, the Grid must often traverse areas susceptible to natural hazards. While route flexibility can be limited, Transpower is committed to maintaining and developing this vital asset sustainably.

To address the above, Transpower is actively managing and, where appropriate, enhancing its grid resilience, including by identifying threats. This includes strengthening the Grid against natural threats like earthquakes, flooding, and volcanic activity. The goal is to ensure the transmission system, as a whole, can remain functional, even at a reduced level, during and after an emergency, thereby maintaining a reliable and secure electricity supply for communities and businesses.

2.0 Submission Overview

Transpower acknowledges the release of the Phase 2 national direction documents within the broader context of the ongoing Resource Management (RM) system reform. We understand these Phase 2 documents, including the proposed new National Policy Statement for Natural Hazards (NPS-NH), serve as an interim measure. This is consistent with messaging received from Ministry for the Environment (MfE) officials, indicating that the Phase 2 national direction will be "lifted, sifted and shifted" into the subsequent Phase 3 legislation. We recognise that Phase 3 of the RM reform will introduce entirely new legislation to replace the RMA – the Planning Act and the Natural Environment Act – each with its own comprehensive suite of

national direction. However, Transpower is also cognisant of the recent messaging from officials that the Phase 2 changes may have relevance for up to five years until the new RMA Phase 3 framework is fully implemented.

A number of the Phase 2 national direction documents have relevance to Transpower. Of primary relevance are the proposed National Policy Statement for Electricity Networks (NPS-EN) and the amendments to the Resource Management (National Environmental Standards for Electricity Transmission Activities) Regulations 2009 (NES-ENA). Transpower has provided separate submissions on these documents, largely in support. In particular Transpower supports the 'benefits' and 'consideration/recognition' policies.

Within this context, Transpower supports the NPS-NH not applying to infrastructure (as defined in the RMA) or any activities ancillary to these activities for the reasons outlined in the Discussion Document and as set out further below. 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 natural hazard provisions to infrastructure (including the National Grid) despite the specific exclusion in the NPS-NH. Transpower seeks this non-limitation be clarified/confined.

Amendments requested through this submission are provided throughout this submission (shown as blue text). Edits proposed as part of the consultation material are shown as red 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 Application of NPS-NH

Infrastructure and primary production

The NPS-NH does not apply to infrastructure (as defined in the RMA) and primary production (as defined in the National Planning Standards) or any activities ancillary to these activities.

NPS is not limiting

Nothing in this NPS limits local authorities from managing natural hazard risk beyond the application of the NPS. The NPS-NH is limited in scope to specific hazards, however, this does not prevent local authorities from having policy on other natural hazards, activities or the environment.

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As noted above, Transpower supports the first clause above stating the NPS-NH does not apply to infrastructure. Transpower agrees with the reasons given for this exclusion in that linear infrastructure networks (such as the National Grid) have sections of their networks that cross areas of differing hazard intensities. This variability in hazard risks would create issues in how to apply the NPS-NH to linear infrastructure. We also agree with the reason that infrastructure (such as new National Grid assets) can have a functional or operational need to be located in high hazard areas. While Transpower seeks to avoid locating the National Grid in high hazard areas, these locations are unavoidable in some circumstances to ensure the provision of a well-connected and efficient electricity transmission network. Transpower also has a large number of existing assets which are potentially within hazard areas and there is no choice but to carry out routine works on these existing assets (including their extension or replacement) where they are currently located.

Notwithstanding the above support for the exclusion of Infrastructure from the NPS-NH, Transpower has concerns regarding the second clause above which states that the NPS-NH 'does not prevent local authorities from having policy on other natural hazards, activities or the environment'. It is uncertain whether local authorities could develop policy on natural hazards applying to infrastructure despite the direction in the first clause. Our experience has been that local authorities develop policy on natural hazards that applies to infrastructure, and have continued to seek such policies, even after notification of the proposed NPS-NH. To resolve this uncertainty, Transpower seeks that the exclusion for infrastructure in the first clause also applies in the second clause. This amendment would remove any uncertainty about policy direction for natural hazards and infrastructure. Transpower accepts that the above exclusion in the NPS-NH, to some extent, creates a policy gap, and therefore (as outlined in our submission on the NPS-EN) Transpower requests a specific natural hazards policy clause within Policy 2 of the NPS-EN. Should this policy clause be inserted as requested the application section of the NPS-NH could be amended to cross-reference the policy clause in the NPS-EN.

Resilience of the National Grid is a critical consideration for Transpower. The resilience of our assets to natural hazards has received increased focus, in part due to the increase in severe weather events due to climate change and in part due to emerging science in areas such as seismic hazards. That said, it is critical that any policy guidance or regulation is both appropriate and proportionate. It must assist us in managing risks, rather than merely creating an additional regulatory and administrative burden. Given Transpower's expertise in designing and constructing resilient assets for diverse environments, limiting where the National Grid can be built in hazard-prone areas is unnecessary and counterproductive to New Zealand's electrification goals.

Discu	ssion Document Questions	Transpower Response
71.	Should the proposed NPS-NH apply to the seven hazards identified and allow local authorities to manage other natural hazard risks?	Transpower has no comment on the types of natural hazards managed. However, Transpower does not support the ability for local authorities to develop policy that relates to managing other natural hazard

		risks for infrastructure given the proposed exclusion for infrastructure within the NPS-NH.
72.	Should the NPS-NH apply to all new subdivision, land use and development, and not to infrastructure and primary production?	Transpower supports the exclusion for infrastructure. Transpower seeks this exclusion also applies to local authorities for managing natural hazard risks, as they relate to infrastructure.

Amendments requested

To address the above matter, Transpower seeks that the application of the NPS-NH be amended to specifically reference infrastructure. Wording is as follows (refer blue text):

NPS is not limiting

Nothing in this NPS limits local authorities from managing natural hazard risk beyond the application of the NPS, except for infrastructure. The NPS-NH is limited in scope to specific hazards, however, this does not prevent local authorities from having policy on other natural hazards, activities or the environment except for infrastructure.

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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.

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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 Wires ('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.