Interim Regulatory Impact Statement: National direction for electricity networks (updating and expanding the NPS-ET 2008 and NES-ETA 2009)

Decision sought	*Analysis produced for proposed amendments to the National Policy Statement on Electricity Transmission 2008 (NPS-ET) and the National Environmental Standards for Electricity Transmission Activities 2009 (NES-ETA), with public consultation in May 2025.* *This impact analysis will accompany a cabinet paper to inform cabinet of the impacts associated with these proposals.*
Agency responsible	*Ministry for the Environment and the Ministry of Business, Innovation and Employment*
Proposing Ministers	*Hon Chris Bishop, Minister Responsible for RMA Reform and Minister for Infrastructure* *Hon Simon Watts, Minister of Energy*
Date finalised	*8 April 2025*

Proposal

These proposed amendments are intended to provide direction and regulations to enable and protect new and existing electricity network assets and activities, whilst being consistent with RMA requirements to protect certain environmental values from inappropriate use and development.

The Government will publicly consult on amending the NPS-ET and the NES-ETA to deliver these objectives, and introduce the following policy proposals relating to the wider electricity network (transmission and distribution):

National Policy Statement for Electricity Networks (NPS-EN) (replacing NPS-ET)

- Recognise and provide for the national significance and benefits of the electricity network (transmission and distribution) through the objective and policies
- Support route selection and manage environmental effects
- Recognise and provide for tangata whenua interests
- Enable routine activities on existing infrastructure, in all environments
- Protect the electricity networks from the adverse effects of nearby development
- Enable electricity networks within urban environments and provide for long term strategic planning
- Update the electric and magnetic fields international standards references.

National Environmental Standards for Electricity Network Activities (NES-ENA) (replacing NES-ETA)

- Enable a wider range of routine work on the electricity network, in all environments
- New rules to protect the transmission network based on established National Grid corridor provisions
- New provisions for the distribution network
- New permitted activity standards for Electric Vehicle (EV) charging infrastructure.

The amendments have been categorised into seven different proposals in this RIS to address a particular defined problem. The table below illustrates how the proposed amendments relate to the status quo.

Table 1: Guidance table to support interpretation of proposals

	Current instrument	***Scope***	***New proposed instrument***	***Scope***
NPS	National Policy Statement on Electricity Transmission 2008 (**NPS-ET**)	New and existing transmission assets	National Policy Statement for Electricity Networks (**NPS-EN**)	New and existing transmission and distribution assets
NES	National Environmental Standards for Electricity Transmission Activities 2009 (**NES-ETA**)	Existing transmission assets on or prior 14 Jan 2010 only.	National Environmental Standards for Electricity Network Activities (**NES-ENA**)	Existing transmission assets operational 14 Jan 2010 and new and existing distribution assets

Where the existing provisions are referenced the terms NPS-ET and NES-ETA are used and where the proposed or future provisions are referred to the terms NPS-EN and NES-ENA are used.

Summary: Problem definition and options

What is the policy problem?

The current resource management system does not sufficiently enable and protect electricity networks to the degree needed to achieve the Government's objectives for electrification, energy security and economic growth.

The current National Policy Statement on Electricity Transmission (NPS-ET) 2008 and National Environmental Standards for Electricity Transmission Activities (NES-ETA) 2009 were developed before emission reduction plans were introduced under the Climate Change Response Act 2002 and these national direction instruments are no longer fit for purpose.

Four problems have been identified in relation to resource management planning for the electricity network:

1. **Problem 1:** The national significance and benefits of the electricity network are not sufficiently recognised in decisions.

2. **Problem 2:** Inconsistent policies, processes and rules add unnecessary complexity, cost and delay.
3. **Problem 3:** Decision makers lack guidance to balance competing interests and environmental values.
4. **Problem 4:** Protecting the electricity network from the effects of other activities is time consuming and more costly than it needs to be.

This is evidenced by:

- The time and cost of obtaining resource consents for major infrastructure projects has substantially increased over the past decade[1]
- Process-focused consent requirements are increasing the regulatory burden for routine work necessary to operate and maintain the EN[2]
- There is considerable uncertainty and delays (sometimes including several rounds of litigation) to achieve consent. This has resulted in key EN projects being delayed or abandoned[3]
- Transpower spent $14million to implement protection of the National Grid corridor on a plan-by-plan basis, in 63% of district plans.[4] Under-build of the corridor is still occurring, restricting the opportunity to maximise the investment in the EN.

What is the policy objective?

The Government's overarching objective for this proposal is to better enable electricity transmission and distribution activities, while managing adverse effects on the environment. Ministers agreed to specific objectives for this package, which can be referred to on pages 13 and 23.

What policy options have been considered, including any alternatives to regulation?

Previous consultation on strengthening national direction for REG and ET

In 2023 MfE and MBIE sought feedback on proposals to strengthen government direction for consenting renewable electricity infrastructure and electricity transmission. The following regulatory and non-regulatory options were considered to provide national direction and guidance:

- Amendments to existing National Policy Statements
- Amendments to existing National Environmental Standards
- Ministerial call-in powers
- Fast-track consenting
- Non-statutory planning guidance.

The preferred option was a combination of the options above:

[1] Sapere. 2021. The cost of consenting infrastructure projects in New Zealand: A report for The New Zealand Infrastructure Commission / Te Waihanga

[2] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf. Part 22.6, p45.

[3] See Appendix C for transmission case studies

[4] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf

- amend the NPS-ET to provide a more efficient and certain consenting process while also managing adverse effects on the environment
- amend NES-ETA to improve workability and better enable routine upgrading and maintenance of the ETN.

The April 2023 consultation included an exposure draft of a proposed NPS-ET and proposed amendments to NES-ETA[5] with two options:

- Option 1 with a consenting pathway aligned with relevant existing national direction (eg, NZCPS)
- Option 2 with a more enabling, specific consenting pathway that took precedence over the equivalent effects management provisions in other national direction.

Both options sought to provide clear direction to decision-makers on the national significance of the electricity transmission network and that meeting emission reduction targets may require unavoidable adverse effects on areas with significant environmental values.

Feedback from consultation suggested that the proposals were incomplete and would not meet the objective of providing more enabling and certain policy direction for electricity networks upscaling to meet climate objectives and increased demand, whilst still protecting significant environmental values.

Following the change of government in October 2023 the Electrify NZ work programme was initiated to enable the development of electricity networks by providing more certainty and reduced need for consents.

Number of options considered

Cabinet agreed in May 2024 that the NPS-ET and NES-ETA would be amended as part of the Phase 2 National direction programme [ECO-24-MIN-0065]. Other regulatory and non-regulatory interventions have, therefore, not been considered within the scope of this Regulatory Impact Statement (RIS). This confines the scope of this RIS to a consideration of the status quo as the first option, with the policy options agreed by Ministers forming the second option.

The proposals to amend NPS-ET and NES-ETA this RIS addresses build on the foundational work from 2023 and the direction from Electrify NZ. They are summarised below:

Option Two summary

Option Two includes amendments to NPS-ET and NES-ETA to specifically include electricity distribution to cover the full extent of the electricity network, thus becoming NPS-EN and NES-ENA. The amendments strengthen the NPS objective and policies to better enable and protect EN infrastructure while being consistent with RMA requirements to protect certain environmental values from EN activities. The amendments to the NES extend coverage to the electricity distribution network and are intended to enable a wider range of routine activities on the EN and provide nationally consistent rules to protect the EN from the effects of adjacent third-party activities.

Seven proposals are outlined in this RIS:

1. Recognising the national significance and benefits of the electricity network (NPS)
2. Providing national direction for the electricity distribution network (NPS)
3. Enabling more routine work on the electricity network, in all environments (NPS and NES)

[5] https://www.mbie.govt.nz/dmsdocument/26315-proposed-national-policy-statement-for-electricity-transmission

4. Providing permitted standards for EV charging infrastructure (NES)
5. Manage the effects of electricity networks (NPS and NES)
6. Recognise and provide for tangata whenua interests (NPS)
7. Provide stronger protection of the electricity network (NPS and NES).

Potential impact of Option Two

Option Two is intended to provide consistently greater enablement and protection of EN infrastructure across the planning system than the status quo. The NPS policies and NES amendments should reduce the time and cost associated with RMA planning and consenting processes (particularly for existing infrastructure) and reduce the risk of litigation. Option Two will not eliminate uncertainty for development in areas with significant environmental values and decision-makers will still be required to address competing priorities between the relevant national direction instruments. However, the proposals will provide greater direction to decision-makers to enable EN projects when considering individual consent applications.

Engagement with iwi/Māori is required under both the Treaty and some Treaty settlements on the development of national direction. Engagement to date has been limited so further engagement is recommended to meet these requirements.

What consultation has been undertaken?

There has been ongoing engagement and consultation with Transpower and targeted stakeholder consultation, with electricity sector representatives and other organisations (New Zealand Planning Institute, Resource Management Law Association, local government practitioners and environmental NGOs) to develop our understanding of the problem definition and refine our proposals.

The key themes from engagement are electricity sector, practitioner and NGO support for:

- the inclusion of electricity distribution networks in national direction
- strengthened policies and objectives in the NPS to give greater weight to the benefits of EN and the role of EN in supporting the economy, electrification and an increase in REG
- recognising and providing for Māori interests in NPS
- nationally consistent corridor buffer rules to address implementation issues and protect the EN from the effects of adjacent development.

The electricity sector prefers policies that:

- give EN priority if required to operate in areas with significant environmental values
- reduce consenting uncertainty and burden through more permissive NES regulations.

Māori groups had varied support for proposals to enable EN in areas with significant environmental values and clear support for maximising the use of existing infrastructure, early engagement and protection of sites of significance to Māori.

A summary of engagement that occurred is set out in pages 22 and 23. The proposed NPS-EN and NES-ENA will be included in a discussion document for public consultation, alongside other proposals included in the national direction work programme.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?
TBC

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)
The main monetised costs (compared to the status quo) relate to implementation costs and opportunity costs. Non-monetised costs are environmental, social and cultural.

Implementation of the NPS-EN and NES-ENA will impose costs on local government. This includes direct costs (associated with changing planning documents to give effect to the NPS-EN, etc) and indirect costs (associated with benefits that could have been received if resources were put to other purposes). These indirect 'opportunity costs' are likely to be relatively small for individual councils, but collectively may be large.

Some costs will fall to applicants (EN developers/operators); these are likely to be cost-recoverable by the consent authority (at least in part), though overall these are anticipated to be reduced, particularly for EN activities on existing infrastructure.

Opportunity costs potentially exist in terms of greater enablement that the NPS and NES amendments could have pursued. In particular, early policy development that sought to direct decision-makers on the management of effects in relation to matters of national importance areas and values addressed by other national policy statements, will now be addressed in phase 3 of the resource management reforms. However, there are additional risks (and therefore costs) that could arise from this approach, in terms of additional uncertainty and litigation. In addition, such opportunity costs are likely to be short-lived as further amendments through RMA replacement reforms will address some of the potential uncertainties and risks.

There may be non-monetised costs to the local environment and communities that host electricity network infrastructure, particularly if required to locate in natural areas and sites of cultural significance or where there are cumulative EN lines operating in an area. The policy proposals aim to strike a balance between the need for increased capacity of EN and the potential for such effects, particularly where those values are recognised as maters of national significance.

The proposed policies and rules would not adversely impact market competition for the electricity sector.

While we have engaged with a few interested Māori groups (Post Settlement Governance Entities, some iwi and Te Tai Kaha), further engagement is recommended with iwi / Māori in order to meet the Crown's obligations as some Treaty settlement legislation specifically requires that local iwi / Māori are provided decision-making opportunities on matters that are addressed in the settlement legislation.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)
These proposed amendments provide greater protection and enablement of EN infrastructure and activities across the planning system. For example, the amendments to provide greater protection of the National Grid by including corridor policy and rules in the NPS and NES. This will significantly reduce the regulatory burden for both Transpower and councils and achieve a more consistent approach nationwide for less cost to the system.

The amendments to enable routine activities on existing EN infrastructure should also reduce regulatory and system cost to Transpower and councils, whilst still managing adverse effects of EN on the environment.

The enabling provisions are intended to facilitate greater capacity in the EN by ensuring stronger consideration of the national significance and benefits of EN activities in decision-making. They are supported by amendments to effects management policies. The precise impacts will play out on a case-by-case basis in project decision-making. As such it is not possible to quantify the costs and benefits.

This proposal does not address existing interactions with other national direction, and it is likely the challenges with reconciling conflicting national direction in areas with significant environmental values will remain to some extent. However, the intent of these proposals is to 'shift the needle' of RMA decision making for EN activities – providing greater investment certainty for EN providers – the step change required to meet the increased demand forecast and the Government's climate commitments.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

There is insufficient quantitative or qualitative evidence to accurately determine the extent to which the proposals will enable an increase in EN activities (and therefore the cost/benefit ratio), however, the proposals will provide greater direction to decision-makers to enable such projects when considering individual consent applications

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

The proposal will be given effect by gazettal and councils will be primarily responsible for implementing the NPS and NES for electricity networks into their district, regional or unitary plans (RMA plans) and into their decision making.

Implementation risks are low due to implementation being prescribed by statutory process and councils.

Implementation will come into effect following gazettal, with no transitional arrangements required. Transition occurs through the statutory process.

Officials anticipate that NPS-EN and NES-ENA will be finalised by the end of 2025. Upon which, councils can begin implementation.

Limitations and Constraints on Analysis

There have been challenges with gathering evidence and quantifying the impacts

In May 2024 Cabinet took decisions on a proposed work programme to amend a suite of national direction instruments, including NPS-ET and NES-ETA. These decisions included setting the scope for interventions to amendments to national direction instruments. The options considered in this RIS are compatible with those decisions.

Officials have been unable to evaluate all the quantifiable impacts associated with these proposals because there is little monitoring undertaken by agencies on the number, nature and costs of consents for electricity network activities.

We have limited external evidence to support the inclusion of distribution activities in this proposal, beyond the Boston Consulting Group report (2022), which assessed the investment required in distribution to support electrification.

Please refer to page 21 and Appendix C to see more details on the limitations and constraints of this analysis.

Further consultation

The cumulative impact of these proposals alongside the full suite of other proposals included in the national direction work programme has not been considered. Work to date has focussed on ensuring integration with the National Policy Statement for Renewable Electricity (NPS-REG) and the proposed National Policy Statement for Infrastructure (NPS-I).

The public consultation process will be used to test proposals and impacts to improve our information.

Treaty of Waitangi considerations

There has been limited engagement so far with Treaty partners to inform the proposed policy. Key concerns expressed were the impact on taonga in section 6(e) and other sites and values of significance to Māori, and upholding Treaty settlements and other arrangements.

A Treaty Impact Analysis (TIA) has been undertaken on the proposals to amend the NPS-ET and NES-ETA but will not accompany the Cabinet package for approval and consultation document to be released in mid-2025. A summary of the key findings is set out below.

Treaty Impact Analysis – Summary

Electricity network projects can have both positive and adverse effects for tangata whenua and for land, water, and other taonga. While the proposals do give rise to potential impacts on taonga, decision-makers are required to consider EN national significance, benefits and other provisions alongside other relevant national direction (eg, NZCPS, NPS-FM), regional policy statements, and regional and district plans. This helps decision-makers effectively weigh up the positive and adverse effects of EN activities when considering an application for consent.

In terms of giving effect to RMA s.8, the proposals are an improvement on NPS-ET 2008, which does not include specific polices that provide for Māori values, aspirations and engagement. The proposals will not directly impact the decision-making process requirements under the RMA and Treaty settlements.

The proposals will not directly impact the decision-making process requirements under the RMA, Treaty settlements or iwi participation legislation. Some Treaty settlements place obligations on councils, including involving iwi/Māori in plan development and decision-making in plans. The proposals do not present a risk to the operation of these Treaty settlement commitments. Some Treaty settlements also contain engagement requirements relating to the preparation of national direction, and the forthcoming consultation period will be an opportunity to fulfil these commitments.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Signature

Michael Tucker
Manager – Infrastructure policy
Ministry for the Environment

Signature

Daniel Brown
Manager – Electrify New Zealand
Ministry for Business, Innovation and Employment

4 April 2025 **8 April 2025**

Quality Assurance Statement	
Reviewing Agency:	**QA rating:** [Meets, **partially meets**, does not meet]

Panel Comment:

The Regulatory Impact Analysis (RIA) panel (Ministry for the Environment and Ministry for Business Innovation and Employment) has reviewed the Regulatory Impact Statement "National direction for electricity networks (updating the NPS-ET 2008 and NES-ETA 2009)" and considers that it partially meets the RIA requirements.

Overall, the Panel feels that significant improvements have been made to the draft RIS to improve readability and robustness of analysis. The Panel consider that the RIS partially meets the complete criteria as there is minimal presentation of alternative options considered by officials or Ministers beyond the status quo and proposed option. IF any optionality has been considered by officials in advice to Ministers, inclusion of this within an appendix (perhaps as a table) would provide more completeness to the RIS for future reference. The RIS partially meets the criteria of clear and concise with improvements made to the written language through the main body of document that has improved readability. The document has been significantly condensed which aids comprehension of the proposals. The Panel considers that the executive summary could benefit from additional editing and clarification to enable greater understanding of the proposal as a stand-alone document. The Panel consider that the RIS meets the criteria of Convincing and Consulted. Additional evidence has been included to reinforce the problem analysis and relevant previous consultation results are included.

Glossary

Ancillary activities – mean all supporting activities needed to provide the operation, maintenance and upgrading of the EN, including but not limited to vegetation clearance, tree trimming, earthworks, the construction, maintenance and upgrading of access tracks and accessways, power supply, and telecommunications.

CPOs – Charging Point Operators (CPOs) install, maintain and operate EV charging infrastructure.

CMA – Coastal Marine Area

EDB – means any Electricity Distribution Business (EDB) that engages in electricity distribution, also commonly referred to as 'line company'.

EDN – means the electricity distribution network that:

a. comprises the network of lines, cables, stations, substations, facilities, and works used to distribute electricity in New Zealand and all ancillary activities
b. is owned or used by an electricity distributor, and
c. is not owned by Transpower New Zealand Limited.

EMF – Electric and magnetic fields.

EN – means the Electricity Network (EN) that comprises the electricity transmission network and the electricity distribution network.

EN activities means the construction, operation, maintenance, development, upgrade, replacement, decommissioning or removal of EN assets and all ancillary activities, unless otherwise specified.

ENA – Electricity Networks Aotearoa, representative body for the 29 electricity distribution businesses.

EN assets means the physical components of EN and all ancillary activities, such as access tracks.

ETN means the electricity transmission network that:

a. comprises the network of transmission lines, cables, stations, substations and works used to connect grid injection points and grid exit points used to convey electricity in New Zealand and all ancillary activities
b. is owned or operated by Transpower New Zealand Limited, and
c. is commonly known as the National Grid.

EV Charging Infrastructure – utility structures that facilitate recharging of Electric Vehicles (EV).

HVDC – High Voltage Direct Current.

ICNIRP – International Commission on Non-Ionising Radiation Protection.

Load – electricity demand.

National Grid – The ET network owned and operated by Transpower New Zealand Limited. See

Appendix A for map.

NES – National Environmental Standards are secondary legislation prepared by central government to establish nationally consistent rules or methods in accordance with section 43-44 of the RMA.

NES-ENA – Proposed National Environmental Standards for Electricity Network Activities**.**

NES-ETA – National Environmental Standards for Electricity Transmission Activities 2009 (NES-ETA)

NPS – National Policy Statements are prepared by central government in accordance with section 45-55 of the RMA to provide policy on matters of national significance.

NPS-ET – National Policy Statement for Electricity Transmission 2008 (NPS-ET).

NPS-EN – Proposed National Policy Statement for Electricity Networks.

NZCPS – New Zealand Coastal Policy Statement 2010.

NZECP:34 – New Zealand Electrical Code of Practice for Electrical Safe Distances 2001.

ONL – Outstanding Natural Landscape.

PSGE – Post-Settlement Governance Entity

Reverse Sensitivity – established activities are vulnerable to complaint, burden or constraint if new sensitive activities locate nearby the established activity.

RDA – Restricted discretionary activity

RMA – Resource Management Act 1991.

Upgrading means improving the capacity, level of service, efficiency, safety, security, resilience, effectiveness or longevity of existing EN assets and includes the replacement, renewal, addition, expansion and intensification of existing infrastructure.

WHO – World Health Organisation

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

What are the components of the electricity network?

1. The electricity network is comprised of the Electricity Transmission network (ETN) and the Electricity Distribution network (EDN) including towers/poles, lines, cables and substations.

2. In New Zealand, the National Grid, owned and operated by Transpower, is the main transmission network that spans across the North and South Island. Transpower's transmission lines carry electricity (up to 350 kV) traversing over 11,000km, extending over both the North and South Island, supported by 25,000 towers, 15,000km of access tracks and over 170 substations. Crossing the Cook Strait is the critical inter-island High Voltage Direct Current (HVDC) cable running 534 km from Lake Benmore Station on the Waitaki River to Haywards Substation, north of Wellington.[6] A key element of Transpower's operations is the telecommunications network of 300 sites, which help to co-ordinate the operations of the National Grid. See Appendix A for a map of Transpower's lines.

3. There are also 29 Electricity Distribution Businesses (EDB's), a mix of private and public entities that distribute electricity from the National Grid or REG sites and deliver it to more than 2 million homes and businesses for end consumption. In total, the 29 EDBs maintain around 150,000km of cables and wires across New Zealand. See Appendix A for a map of EDB areas.

The electricity network has some unique characteristics

4. In New Zealand, electricity generation has historically been distant from city centres where electricity demand (load) is greatest. This has resulted in lengthy transmission lines between larger population centres in the North Island, and bulk hydroelectricity generation in the South Island.[7]

5. There are few, if any, environments that the electricity network does not touch, and assets are located in rural areas, urban areas, the conservation estate (eg, national parks, scenic reserves), coastal, wetland and riverine environments and habitats for indigenous fauna and flora.

6. The nature of electricity generation and transmission is changing with new technologies. We anticipate that small and community scale REG that feeds directly into the distribution network will increase, with benefits for community resilience and reducing excessive demand on the capacity of the National Grid. Demand side management tools[8] will also be useful to adjust the time or amount of energy consumed to match environmental conditions (eg, rainfall, wind speed and sunshine levels) and electricity supply.[9]

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[6] Resource Management System Reform: Case Studies. Transpower (Version 1) 1 September 2021.

[7] Transmission Planning Report 2023 (Transpower New Zealand Limited).

[8] Demand side management tools, such as distributed batteries, hot water cylinders and energy management software tools optimise consumer energy consumption to reduce peak demand, providing additional Grid capacity at peak periods.

[9] How demand-side flexibility can contribute to security of supply. Electricity Authority, 26 June 2024

Electricity Transmission

7. ET has some unique characteristics that create its own set of challenges and adverse environmental effects, including:

    a. conveying electricity efficiently over long distances requires many different types of physical structures, such as conductors (electrical lines) operating at high voltages, support structures (lattice towers, steel, wooden or concrete monopoles), substations, ancillary devices (such as telecommunication cables and devices, and earth-wires) and overhead, underground and submarine cables

    b. it is important to enable the transmission network to operate at high voltages because this is the most efficient way to transport electricity, and reduce energy losses

    c. the electricity network is extensive and linear, making it important that, where possible, there are consistent policy and regulatory approaches across local authority boundaries

    d. the environmental effects of the electricity network are localised whereas the benefits often scale nationally, so decision makers are often required to balance the national benefits of EN development against its local effects in RMA decisions.

8. The vast majority of Transpower assets are located on privately owned land; however, most of their overhead infrastructure is unprotected by designations or easements. In most cases Transpower relies on rights to lawfully occupy and, subject to certain processes under the Electricity Act 1992, access and operate its infrastructure.[10]

Electricity networks need to upscale, and soon

Supporting climate change mitigation and economic development requires significant upscaling of electricity networks

9. The Government published the second Emissions Reduction Plan (ERP2) in December 2024, with electrification a key component to delivering a low emissions economy.[11]

10. Delivering on the New Zealand Government's climate goals[12] will require whole sectors of the economy to shift to renewable electricity, with a significant increase in renewable generation and corresponding upscaling of the electricity transmission and distribution network to support increases in both consumer demand and generation supply.

11. Total electricity demand is expected to grow between 35.3% and 82% by 2050.[13] If current trends continue, modelling indicates that 9.4GW (95% increase) of new generation capacity will be required by 2050 to meet future demand. In the short term, the commercial and

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10 Roy John Clement Noble, Board of Inquiry East West Link Proposal. 10 May 2017 p.1, para 3.

11 Our Journey to net zero: New Zealand's second emissions reduction plan 2026 – 2030. Ministry for the Environment: Wellington. December 2024, p. 37.

12 Next steps on Electrifying New Zealand | Beehive.govt.nz

13 Electricity Demand and Generation Scenarios: Results summary. Ministry for Business, Innovation and Employment, July 2024. The extent with which the demand projections range from 35.3% and 82% depend on the scenario that was modelled in the EDGS 2024. Total electricity demand peaks in the 'innovation' scenario (72.1 TWh) where current trends continue alongside accelerated technological uptake and learning, in contrast to a reference demand of 62.1 TWh just if current trends continue. pp 1, 8-9.

industrial transition will drive this growth but towards late 2030s, demand growth will be driven by the uptake of Electric Vehicles (EVs) [14].

12. To achieve these commitments the Government has committed under its Electrify NZ programme to double renewable electricity generation and enable the supporting electricity network by removing consenting barriers and making consenting faster and cheaper for Renewable Electricity Generation (REG) sites and electricity networks (EN).

13. To ensure a secure supply of electricity nationwide, the resource management system needs to enable the protection, development, upgrade and maintenance of the transmission and distribution network.

Increased levels of EN investment are planned

14. Transpower and the EDBs continue to experience a high volume of enquiries[15] to connect to the electricity network in 2024 have gained Commerce Commission approval for an increased level of investment to support electrification and connect renewables.[16]

15. To meet electrification demands, Transpower estimated that by 2035 it will require:[17]

    a. 60-70 new grid connected generation and grid-scale battery projects[18]

    b. 30 connections to accommodate increased electricity demand (load connections), and

    c. 10 to 15 new transmission interconnections and other network investments needed to enable energy to reach consumers.

16. Much of the National Grid was developed in the 1920's or 1950s to 1960s[19] and, due to the age of the assets, Transpower has forecast an increased level of maintenance, upgrades and replacements in the next five years to modernise the ETN and maximise operating capacity to meet additional demand[20].

Key features of the regulatory system currently in place

17. The electricity sector is regulated under several different regimes, including the Public Works Act, Electricity Act, Commerce Act, as well as the RMA.

18. The RMA promotes the sustainable management of natural and physical resources and sets rules and requirements to manage the effects of activities on the environment. The electricity network contributes to the purpose of the RMA by enabling current and future generations to provide for their wellbeing. However, the RMA does not list electricity networks amongst the

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[14] EDGS. P.39-40.

[15] A map of connection queries by region is available here: https://experience.arcgis.com/experience/97d4604079b545448280423f9269b9ea/page/Dashboard/

[16] Net Zero Grid Pathways proposal – final decision, 28 February, 2024, Commerce Commission. Retrieved from: Transpower-Net-Zero-Grid-Pathways-stage-one-Final-decision-and-reasons-paper-28-February-2024.pdf

[17] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission: Submission by Transpower New Zealand Limited (1 June 2023).

[18] TP_Sub_Resource_Management_Consenting and other_Amendments_Bill_10Feb2025.pdf

[19] A history of electricity transmission controls in New Zealand. Ministry for the Environment, October 2007. https://environment.govt.nz/publications/proposed-national-environmental-standards-for-electricity-transmission-discussion-document/appendix-3-a-history-of-electricity-transmission-controls-in-new-zealand/

20 Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf. Part 21.16, p44.

matters of national importance in section 6. The RMA includes provisions specific to EN infrastructure, including requirements on local authorities to plan for EN infrastructure, designations, consent duration and links to land acquisition powers under the Public Works Act 1981.

19. Decisions made under the RMA are usually the responsibility of local authorities, through regional policy statements, regional and district plans (RMA plans), and resource consents. Plans and decision-making approaches with respect of EN infrastructure varies from council to council. EN providers who are also requiring authorities have a decision-making role in the RM system via the designation process.

20. The National Policy Statement on Electricity Transmission 2008 (NPS-ET) and National Environmental Standards for Electricity Transmission Activities 2009 (NES-ETA) were developed to enable the development of electricity transmission and provide standard rules for the operation, maintenance and upgrade of ET lines.

21. Much of the existing national direction is focused on protecting natural environmental values, and policies affecting EN infrastructure differ from instrument to instrument and must be read alongside the NPS-ET. Over time the NPS-ET has become relatively weaker as more directive national policy has been developed, for example NPS-FM in relation to EN activities in or near wetlands. Additionally, the New Zealand Coastal Policy Statement 2010 (NZCPS) uses several avoidance policies to prevent adverse effects from occurring in the coastal environment. Since the *King Salmon* decision,[21] 'avoid' and other uses of directive language have been afforded higher legal weighting in decision making, with potential to create consenting barriers for electricity networks activities in the coastal environment, despite operational need at times.

The role of national direction

22. National Policy Statements (NPS) are issued under section 45 of the RMA. They set out objectives and policies for matters of national significance to support local authorities to achieve the Act's purpose.

23. The Government issued NPS-ET in 2008 to:

    a. recognise ET as a matter of national significance
    b. empower decision makers to consider the benefits of ET
    c. identify constraints to ET development.

24. National Environmental Standards (NES) can also be issued by the Government to set out technical standards, methods or requirements relating to matters under the RMA.

25. The Government issued NES-ETA in 2009 to:

    a. set out a rule framework complementary to the NPS
    b. to enable Transpower to operate, maintain and upgrade their existing electricity lines (as of 14 January 2010).

26. There is no national direction under the RMA for electricity distribution networks and EV charging infrastructure.

RM Reform and Electrify NZ work programme

27. In April 2023 the previous Government released an exposure draft of a proposed NPS-ET and proposed amendments to NES-ETA in public consultation to strengthen national direction on

[21] Refer *Environmental Defence Society Inc v The King Salmon Company Ltd* SC 82/2013 [2014] NZSC 38.

REG and ET.[22] The development of both instruments was suspended when the government changed, and the Electrify NZ work programme was initiated.

28. The Government has committed to delivering Electrify NZ policy.[23] Electrify NZ seeks to deliver:

    a. significantly accelerating decision-making compared to the status quo
    b. national direction that delivers a more certain outcome than the status quo
    c. increased likelihood of consents being granted for REG and ET compared to the status quo
    d. reduced need for consents for transmission infrastructure and most new infrastructure[24]
    e. 10,000 public EV charging points by 2030.

29. The Government is also delivering on resource management related Electrify NZ proposals through the Fast-Track Approvals Act 2024, Resource Management (Consenting and Other System Changes) Amendment Bill as well as this Phase 2 National Direction programme. This work programme will contribute to the delivery of Electrify NZ by:

    a. updating the suite of national direction (including NPS-REG, NPS-ET and NES-ETA), and
    b. amending the RMA to speed up resource consenting for energy infrastructure.

30. The newly enacted Fast Track Approvals Act provides an alternative consenting pathway to facilitate delivery of infrastructure with significant regional or national benefits. The legislation lists two transmission projects that will be referred straight to expert panels for determination. The Government's intent is to reduce consenting barriers and timeframes and provide greater investment certainty for significant infrastructure projects. It is a complementary enabling framework to the NPS-EN, rather than a substitute.

31. For the purposes of this RIS we have defined 'development of the status quo without any further action' as being:

    a. The RMA with amendments made to date but no further changes[25]
    b. No further national direction or amendments to national direction.

32. The range of legislative reforms underway will have benefits for EN infrastructure but will not address the problems that are the focus of this national direction proposal.

The status quo will not enable EN at the pace and scale required

33. The current resource management system processes take too long and costs too much to enable the investment in EN at the pace and scale required to support both new generation and increased consumer demand for electricity as sectors of the economy electrify.

34. Consenting uncertainty, costs and delays for EN projects have increased over the last decade and further increases are projected as the volume of EN activities expands to meet increased demand and generation. The cost of consenting has increased by 70 percent (as a proportion

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[22] https://www.mbie.govt.nz/dmsdocument/26315-proposed-national-policy-statement-for-electricity-transmission

[23] *Electrify NZ* is the National Party's election manifesto document which is focused on driving investment in generation and transmission to double the country's renewable electricity generation by 2050.

[24] Phase 1 included repealing the Natural and Built Environment Act and Spatial Planning Act to revert to the RMA. Phase 3 will establish new resource management legislation.

[25] For clarity, this excludes work on the replacement RMA

of the project's budget) over the past 7 years.[26] This data covers all types of infrastructure but is likely to be relevant to transmission. Transpower has provided evidence that current national direction can lead to consenting processes (for existing and new assets) that are complex, lengthy, costly and uncertain and there is no evidence that NPS-ET has reduced the number of ETN consents issued nor improved the pace of consenting decisions.[27]

35. The NES-ETA regulates activities required to operate, maintain and upgrade the ETN. A 2019 evaluation by MBIE and MfE found that NES-ETA helped to manage adverse effects, an improvement in comparison to before the NES-ETA came into effect[28]. However, Transpower has noted that NES-ETA consent requirements are process focussed with little variation in outcome or methods for undertaking work.

36. Transpower has forecast an increased level of maintenance and upgrades during 2025-2030, due to the age of its assets, with a need for the NPS and NES to better enable the expanded work programme. In addition, work is required to increase the resilience and capacity of the EN to accommodate growing general demand for electricity and increased demand associated with electrification of the economy (for example transport and industrial process heat conversions).

37. **Appendix B** outlines two case studies where ETN developments have encountered challenging resource management contexts that forgo the development of the network.

    a. *Future Queenstown Line* – a second transmission line is required that traverses through sensitive environments and areas mapped as Outstanding Natural Landscapes (ONL).

    b. *Hairini realignment project*, illustrates how the NPS-ET has been insufficiently directive to allow upgrades or line alterations due to the effects on the coastal ONLs, protected by strong avoidance policies in the NZCPS, or sites of significance to Māori.

What is the policy problem or opportunity?

38. NPS-ET and NES-ETA are not fit for purpose to enable REG and EN to be consented and built at the pace and rate required.

39. The key issues have been canvassed by numerous reports and inquiries, including Government evaluations, the Climate Change Commission[8] (and its predecessor the interim Climate Change Committee[9]), the Productivity Commission[10], Te Waihanga (Infrastructure Commission)[11] and the Electricity Authority[12,13].

40. Ministry for the Environment (MfE) and Ministry for Business, Innovation and Employment (MBIE) have identified four key problems with the status quo:

Problem 1: The national significance and benefits of the entire electricity network are not sufficiently recognised in decisions

41. The NPS-ET was developed before New Zealand's targets for reducing emissions became law. Electrification of our economy is an important driver to decarbonise New Zealand's energy

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26 New Zealand Productivity Commission (2018) Low-emissions economy: Final report

27 Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf

28 Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities, 2019.

system. New Zealand needs to carry out significantly more EN activities in the years to 2050 to support climate targets, resilience and growth in electricity demand.

42. The original intent of the NPS-ET is now outdated given the way NPS are currently drafted, modern case law interpretations of national direction, and the need to significantly enable EN to increase energy security and respond to climate change.

43. The nature and scale of EN infrastructure can create local environmental effects (some of which can be significant) but result in local and national benefits such as greater energy security, emissions reduction and energy resilience.

44. The NPS-ET does not sufficiently direct decision-makers to recognise and provide for the national significance of electricity network activities, the full range of EN benefits nor does it contain direction on key consenting matters. Without this explicit recognition, consent applicants are required to demonstrate the national significance and benefits of their proposals in each application, adding to unnecessary regulatory compliance.[29] This leads to high legal costs and uncertainty, projects being declined, delayed, sub-optimally designed, or never applied for, or approved with increasingly onerous conditions.

45. The status quo undervalues the community need for and public benefits of EN, relative to its adverse local effects.

Electricity distribution

46. There is no national direction for the electricity distribution network, providing a policy gap for the energy system. Consequently, resource management planning does not regard the distribution network with the same degree of national significance as the ETN. This despite it being an integral part of the electricity network with a central role in delivering electricity to end consumers.

47. The different scales/types of distribution infrastructure require specific approaches. Higher voltage distribution assets (eg, 110kV sub-transmission assets) have a similar scale to ET, with associated consenting complexities, challenges for route selection and limitations in the ability to minimise adverse effects. Lower voltage distribution assets, such as those found on local streets, are typically well enabled within the road reserve but face similar constraints to ET where it needs to cross private property.

48. Without national direction that recognises the significance and benefits of distribution, Electricity Distribution Businesses (EDBs) may be hindered to meet both demand and supply of electricity, particularly in the short to medium term. Distribution infrastructure serves a relatively large area with multiple sources of demand.

Problem 2: Inconsistent policies and rules add unnecessary complexity, cost and delay

Scope and workability problems with NES-ETA

49. Planning instruments need to provide certainty to EN operators that development, maintenance and upgrading of the EN can occur in a cost effective and timely manner. Tools such as NES-ETA provide certainty that essential work required to operate and maintain the National Grid will be undertaken in a timely and efficient manner while managing adverse effects on the environment.

[29] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf. Part 14.1,p22.

50. The 2023 consultation document identified that additional amendments to NES-ETA were required to:

    a. streamline consent processes, especially for assets located in areas with significant environmental values

    b. support climate change targets

    c. better enable routine activities, including ancillary activities such as vegetation management and access tracks

    d. better protect the transmission network from the effects of third-party activities

    e. improve workability, alignment and consistency with other regulations and legislation.

51. In addition, NESETA consent requirements are process-focused with little variation on the outcome or methods for managing and undertaking the works. This has resulted in regulatory burden including:

    a. inefficiencies due to consent processing delays
    b. variation in application processing requirements for works in similar environments across the country
    c. low consent trigger thresholds that do not reflect the nature of the effects or the necessity of the activity under different statutes (eg, signage)
    d. overly restrictive regulations that do not cater effectively for the modernisation of the EN infrastructure.

EV Charging Infrastructure

52. Without national direction for EV charging infrastructure, district and regional plans have filled this gap, but as a result plans are being prepared inconsistently and there are no consistent plan policies or rules based on good practice. Charging Point Operators (CPOs) experience overly restrictive or absent district plan rules in relation to EV charging infrastructure, leading to:

    a. unnecessary consent requirements, associated with time delays, compliance costs and disproportionate consenting requirements (both for the sector and local authorities) and plan advocacy costs

    b. variation in plan rules and consent requirements leads to additional costs and greater inefficiencies (for example, the same EV Charging Infrastructure located in one district may be permitted whereas another district may require a resource consent). This may lead to providers changing the design or operation of a charging facility in a manner than is sub-optimal to evade the resource consent process, relying on bespoke designs and increasing average output costs.[30]

53. The cumulative effect of this is additional costs is that it can act as a barrier to the efficient and timely roll-out of EV charging infrastructure across New Zealand. The nature of most EV Charging Infrastructure is of small to medium scale, and the adverse effects associated with EV

[30] Electric Vehicle Charging Infrastructure: Issues and Options for National Direction under the RMA. SLR Consulting New Zealand, November 2024.

charging infrastructure is generally no more than minor, so there is an opportunity to develop standards to adequately manage effects.[31]

Problem 3: Decision makers lack guidance to balance competing interests and environmental values

54. The NPS-ET has outdated, incomplete and unclear direction on how to manage interactions with and effects on significant environmental values. The existing provisions in the NPS-ET for managing environmental effects have created several difficulties:

- There are separate policies for managing different scaled upgrades (minor, major and substantial) and this has created inconsistent and complex consenting requirements
- The policy direction in policies 7 and 8 of the NPS-ET to 'seek to avoid' and 'minimise' adverse effects on sensitive environments has helped Transpower to operate in these sensitive environments but has recognised limitations where avoidance of significant effects is not possible. The terms 'minimise' and 'seek to avoid' can be vague, leading to inconsistent interpretation and application across regions and longer planning and approval processes, potentially delaying important projects
- There are gaps in policy coverage for environments and values e.g. outstanding natural features
- The terminology used in the policies is not consistent with common terms used in the Part 2 of the RMA, more recent national direction
- The implementation section for operational and functional need is high level and does not provide decision-makers with detailed support to consider this essential part of the assessment.

55. In addition, since 2008, new and more directive national direction instruments have come into force[32]. In combination with an RMA purpose that does not explicitly recognise electricity networks and their benefits, the development of national direction elevating environmental protection and values (such as coastal environment, natural inland wetlands) has led to the NPS-ET becoming relatively weaker as stronger direction to avoid activities in certain areas has been included in other NPS. This has created complexity for decision makers, who must interpret conflicting national direction and uncertainty for EN developers.

56. Amendments are required to recognise:

a. the requirement for EN to locate in particular environments and the constraints that limit the extent to avoid or mitigate all environmental effects
b. the role of Transpower and the EDB to determine the technical solution for a proposed EN activity
c. that EN activities are needed to increase the capacity and improve the delivery of the EN over time

[31] Ibid

[32] Based on analysis of district plans undertaken by Transpower.

d. that changes in amenity from EN activities may be unavoidable in order to achieve an efficient, reliable and resilient EN.

57. The NPS-ET does not include policy that recognises and provides for tangata whenua interests. This lack of direction creates uncertainty in consenting decision-making. Sites of significance to Māori including wāhi tapu is an RMA section 6 matter of national importance to be recognised and provided for. These sites are often not mapped and therefore engagement with tangata whenua is important to identify them.

Problem 4: Protecting the electricity network from the effects of other activities is more time consuming and costly than it needs to be

58. Despite policy 11 of NPS-ET requiring councils to manage adverse effects from third parties on the National Grid, there is no consistent framework to establish a National Grid Corridor along the entire span of the National Grid. This has resulted in significant cost and delay to protect the National Grid.

59. To date, 70% of district plans have implemented the National Grid corridor policy.[33] A remaining 27% of councils have commenced a process to give effect to Policy 11. Councils reported in 2019 to agencies that implementation of NPS-ET policy 11 has been challenging and one of the costlier aspects of NPS-ET implementation.[34] This policy implementation has also come at the cost of $14M to date for Transpower.

60. Transpower noted that the delays in implementing the NPS-ET was largely in relation to policies 10 and 11 and that this has had significant adverse impact on their ability to manage and protect the National Grid.

> *"despite the NPSET being gazetted some 10 years ago under-build and inappropriate development continues to occur under and around National Grid assets*" [Transpower, 2019].[35]

61. Without strong rules to establish a 'buffer zone' around the National Grid, third parties can establish new activities in close proximity to electricity lines adversely impacting both the network and the people or property that have encroached into the National Grid Yard.

62. The key adverse effects are described below:

a. *Direct effects* can compromise the stability of structures, create access issues, or affect the operation of the lines.
b. *Reverse sensitivity effects* make the electricity network vulnerable to complaint, burden, or constraint from new third-party activities locating near the established network.
c. *Health and safety risks* from development near electricity lines and trees poses electrical risks to people and their property. Nearby residents may also express concern about the Electric and Magnetic Fields (EMF) and their actual or potential health effects to those fields.

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[33] Based on analysis of district plans undertaken by Transpower.

[34] Ministry for the Environment and Ministry for Business, Innovation and Employment, Evaluation of National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities, April 2019.

[35] Ibid. p.23.

Electrical safe distance regulations do not provide full coverage

63. The New Zealand Code of Practice for Electrical Safe Distances (NZECP 34:2001) sets minimum safe electrical distance requirements for electricity supply. There are limitations to how NZECP:34 can implement policy 11 of NPS-ET, because NZECP:34 is not a planning instrument and does not provide for the full range of activities that require setback from an electricity line or its supporting structures (ie, subdivisions cannot be managed through NZECP:34) and it does not distinguish between 'sensitive activities' and other activities that pose less risk to the ET network (or EDN).

64. Transpower has informed officials of three other limitations of NZECP:34 to give effect to policy 11 of the NPS-ET:

    a. NZECP:34 is focused only on minimum safety standards
    b. NZECP:34 does not prevent third party activities from compromising access, operation, maintenance and development of the ET network. For instance, under build is not prevented nor does ECP:34 distinguish between land uses
    c. NZECP:34 is generally less understood and enforced compared to the district plan, resulting in lack of compliance.

Electric and magnetic fields provisions need updating

65. The NPS-ET includes policy on managing public exposures to EMF and compliance with international recommendations for non-ionising radiation protection set in 1998.[36] The NES-ETA also references an outdated EMF limit that flows from the 1998 document. The international recommendations have since been revised in 2010. It is important that New Zealand conforms with current international guidelines and that these are kept up to date in our domestic regulations as a matter of good regulatory practice.[37]

Evidence base, limitations and assumptions

66. The primary sources of evidence of the problem are summarised in **Appendix B** and include case law, government and sector reports and input during engagements on resource management reform and national direction in the last three years. More recent engagement on the current proposals has included electricity sector representatives, as well as local government practitioners, New Zealand Planning Institute, Resource Management Law Association and the Resource Management Reform Group to provide evidence, and test our understanding of the problem, and options for solutions.

67. There is a lack of quantitative evidence to support the problem definition of barriers in the resource management system impacting EN delivery. This is due to two reasons:

    a. There are information gaps in the consent information collected and held in the national monitoring system for consents, ensuring that it does not provide a comprehensive breakdown of consents by activity for transmission and distribution

[36] The relevant standard is: International Commission on Non-ioninsing Radiation Protection Guidelines for limiting exposure to time varying electric magnetic fields (up to 300 GHz) (Health Physics,1998,74(4): 494-522) and recommendations from the World Health Organisation monograph Environment Health Criteria (No 238, June 2007) or revisions thereof and any applicable New Zealand standards or national environmental standards.

[37] Government Expectations for Good Regulatory Practice, April 2017, p. 2.

b. Transpower has not constructed a significant new ET line since the Whakamaru North-Brownhill Road transmission line commissioned in 2012 and consequently has not had current direct experience of the issues for new ETN development.

68. **Appendix C** provides more detail on assumptions and limitations of evidence applied in this RIS.

Who is affected by the problems?

Who	How
Regulated Groups	
Transpower and the EDB's	Increased costs associated with developing new lines and undertaking work on existing assets in sensitive areas. Includes time and resources required to tailor projects and develop expert reports to multiple councils on the same matter. Uncertainty of project outcome and inability to undertake work necessary to the upgrade and modernise the network. Significant cost to ensure national consistency for works on the same asset type. Engaging in numerous planning processes, repeating and restating evidence.
Regulators	
Consent authorities	Re-assess the effects and benefits of individual applications, rather than considering the effects and benefits of EN and activities across their district and in relevant zoning areas. Being party to ongoing challenges and litigation of planning decisions Resolving conflict and inconsistencies between national direction instruments Time consuming and complex consenting processes, even for applications with known effects
Others	
Housing and development sector	Major urban and transport developments require timely new EN services and / or realignment of existing EN.
Industry	Customers of EN services, will require upgrade and development of EN to enable electrification of processes e.g. process heat manufacturing
Renewable electricity generators	Require capacity of the network to be available and timely connections to occur. Delivery of REG projects is contingent on getting access to the network. Impacted by regulatory uncertainty to provide connections.
Communities	Engaging in numerous planning processes, repeating and restating evidence Customers of EN services
Private property owners	Uncertainties around what EN services may or may not be provided Engaging in numerous planning processes, repeating and restating evidence Private property rights may be curtailed by EN services e.g. land under or near transmission lines
Iwi / Māori	Engaging in numerous planning processes, repeating and restating evidence Investment interests in REG may be restricted by access to EN
Future generations	Individual consent decisions may lead to ad hoc decisions that don't adequately consider cumulative effects or the integrated nature of electricity networks with the economy, community and quality of life.

What objectives are sought in relation to the policy problems?

69. The Government has committed to amending national direction to unlock development and investment in infrastructure and primary industries while safeguarding the environment.

70. The objective of proposed amendments to the NPS-ET and NES-ETA is to better enable electricity transmission and distribution activities, while managing adverse effects on the environment.

71. Ministers agreed [MBIE 2324-1977 MfE BRF-4158] to the following objectives for proposed amendments to the NPS- ET and NES-ETA are to:

    a. better enable ET and ED activities to support climate transition and resilience
    b. make efficient use of and better protect existing generation capacity, networks and infrastructure
    c. enable new electricity transmission and distribution activities to a higher degree than the status quo
    d. enable the ongoing protection, operation, maintenance and upgrading of existing transmission and distribution activities
    e. reduce unnecessary compliance costs for Transpower, distributers and councils
    f. provide for Māori interests through engagement and protection of sites of significance
    g. The Government also has a target for public EV charging infrastructure. In *Supercharging EV Infrastructure*, the National Party manifesto commits to providing a 10,000 public EV charging network by 2030.

How do the suggested objectives address the problems identified?

72. The objectives would:

    a. Ensure the wider economic and social benefits of electricity networks are consistently recognised across planning instruments and in decision-making

    - Ensure a streamlined and nationally consistent approach to protecting the EN for the adverse effects of nearby development, undertaking routine maintenance, upgrades and development that reduces consent barriers for EN projects.

What consultation has been undertaken?

Summary of engagement to date

- Draft amendments to the NPS-ET and NESETA were publicly consulted in 2023.[38] These amendments strengthened the policies and objectives in the NPS, giving greater weight in consenting to matters such as the benefits of ET and the role of ET in supporting an increase in REG.
- Feedback from this consultation has informed the proposed changes to the NPS-ET and NES-ETA. In particular, a key message from this consultation was that the NPS was unlikely to have a significant effect on EN consenting without better integration and alignment across national direction instruments that affects projects, in particular direction around biodiversity, freshwater and coastal management.
- However, in some respects the outcomes of the previous consultation have been superseded by the narrower scope outlined above. As a consequence, more detailed feedback has been provided on the remaining policy proposals in the current national direction package.

[38] National Direction on Renewable Electricity Generation and Electricity Transmission – Summary Document

Engagement with the Electricity Sector

73. MfE and MBIE regularly engaged with the electricity sector (Transpower, Electricity Network Aotearoa (ENA), Electricity Sector Environmental Group (ESEG)) to better understand the resource management challenges the industry is facing.

74. The sector's feedback has largely been around 'future proofing' predicted evolution of technology, reducing consenting burden for existing and new infrastructure, providing a consistent approach across national direction and better protection of existing networks.

Engagement with iwi / Māori

75. To date there has been limited engagement with Treaty partners to inform the proposals. A webinar was held with representatives of some PSGEs and additional individual online engagements were held with Ngai Tahu (29 October 2024), Te Tai Kaha (31 October 2024) and Tairāwhiti and Te Matau-a-Māui iwi (8 November 2024).

76. Engagement with Māori highlighted the importance of renewable electricity and supporting EN to meet climate change goals. Key concerns raised were the impact of the proposals on the obligation to recognise and provide for the matters in section 6(e) of the RMA.

Engagement with local government

77. MfE and MBIE have had several workshops with local government groups and practitioners. Local government has expressed a range of views including support for greater alignment and clearer direction across national direction instruments, support for including distribution and improved connections between the NPS and NES and support for nationally consistent rules to protect the National Grid. There were concerns around the costs of implementation, particularly the 'rolling' reviews required of them by amendments to multiple national instruments.

Engagement with NGOs and RM practitioners

78. MfE and MBIE have met with the New Zealand Planning Institute (NZPI), Resource Management Law Association (RMLA) and the Environmental Defence Society (EDS). Feedback related to support for maximising existing infrastructure through enabling upgrades and support for smaller scaled distributed generation to reduce requirements for larger projects and ET infrastructure with greater adverse effects on the environment.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

79. Options for change will be assessed against the criteria below. This set of criteria is consistent across the national direction programme and applied with equal weighting.

Criteria	Questions to guide application of criteria
Effectiveness	Does the option achieve the objectives? Does the option provide a solution to the identified problem?

	Have trade-offs between the objectives been factored into the assessment of the proposal's overall effectiveness?
Efficiency	To what extent does the proposal achieve the intended outcomes/objectives at the least cost to applicants, the regulator and, where appropriate, the courts. Is the regulatory burden (cost) proportionate to the anticipated benefits? Is the option cost-effective?
System alignment	Does the option integrate well with other proposals and the wider statutory framework? What is the impact on existing objectives in current national direction instruments? Does the option reduce complexity and provide clarity for local government to address tensions/conflicts between ND instruments?
Implementation complexity	Is the option clear about what is required for implementation by local government, and can it be easily implemented? Does the option provide enough flexibility to allow local circumstances to be adequately taken into account / addressed at the local level? To what extent does the proposal present implementation risks that are low or within acceptable parameters (e.g. Is the proposal a new or novel solution or is it a tried and tested approach that has been successfully applied elsewhere?). To what extent can the proposal be successfully implemented within reasonable timeframes? Do regulated parties have the flexibility to adopt efficient and innovative approaches to meeting their regulatory obligations? (NB: A regulatory system is flexible if the underlying regulatory approach is principles or performance based). To what extent does the proposal ensure regulated parties have certainty about their legal obligations, and does the regulatory system provides predictability over time? Are legislative requirements clear and able to be applied consistently and fairly by regulators? Do all participants in the regulatory system understand their roles, responsibilities and legal obligations?
Te Tiriti o Waitangi outcomes	Does the option take into account the principles of Te Tiriti o Waitangi and Māori rights and interests? Does the option align with the Treaty Impact Analysis (TIA)?

What scope will options be considered within?

Decisions already taken by Cabinet

80. The Government has made the following decisions, which direct the scope of this work:

- In June 2024, Cabinet agreed to amend the NPS-ET and NES-ETA to deliver its Electrify NZ plan as part of the Phase 2 national direction programme. Other regulatory and non-regulatory interventions are therefore not considered within the scope of this interim RIS.
- In October 2024, Ministers agreed to [MfE BRF-5317 / MBIE REQ-0003001 and MfE BRF-5841]:

a. combine new national policy direction for electricity distribution with transmission in a new NPS-Electricity Networks (NPS-EN)
b. amend the NES-ETA to incorporate rules and standards relating to electricity distribution (subject to further testing with stakeholders) and to provide for a wider range of routine activities
c. an objective and policies in the NPS-EN to strengthen the national significance of electricity networks
d. amend the NPS and NES-ETA to provide stronger direction to protect the ETN and EDN from the adverse effects of third-party activities, and to enable a wider range of routine work on the electricity network, in all environments.

- In March 2025, the Government has decided to address major infrastructure development interactions with natural environment features such as outstanding natural landscapes, freshwater and indigenous biodiversity in its Phase 3 replacement of the RMA.
- This means that, in the meantime, other national direction will continue to apply so other NPS (such as NZCPS, NPS-FM, NPS-IB) will be read alongside NPS-EN to manage effects on those values articulated in section 6 of the RMA. This approach is consistent with proposals for NPS-I and NPS-REG.
- Note that the current NPS-IB excludes REG and electricity transmission (ET) (but not electricity distribution) and that this regulatory gap will remain until a replacement RMA regime comes into force. Regional policy statements and plans continue to manage the effects of REG and ET on biodiversity in the meantime.

81. On that basis, this RIS focuses on the regulatory impacts of retaining the status quo (as Option 1) or amending the NPS-EN / NES-ETA to achieve the government's objectives for EN, rather than other regulatory interventions such as amending the primary legislation, non-statutory guidance etc.

Out of scope: stand-alone national direction for distribution and non-regulatory options

82. Developing a stand-alone national direction tool for electricity distribution was removed from consideration as distribution infrastructure is subject to similar legal and consenting frameworks as transmission infrastructure and producing a separate NPS and NES would result in unnecessary duplication and system complexity.

83. Non-regulatory options were not considered because the core problem relates to barriers created by resource consent requirements and therefore a regulatory option under the RMA is the most appropriate mechanism to streamline planning requirements for the electricity network. Strategy documents, for example, that are non-statutory would have no impact on local authority consenting and would be ineffective and duplicative.

Policy development process, preferred proposals and discarded options

84. Due to the confined scope of the policy development process (in accordance with coalition agreements and Cabinet directions), this RIS provides analysis only of the policy proposals that have been identified as meeting that scope for inclusion in the NPS (rather than analysis of 'discarded options').

85. In particular, early policy development considered addressing potential conflicts across national direction instruments, through direction to decision-makers on the management of effects on values addressed by other national policy statements. Broadly, those values are identified as matters of national importance in s.6 of the RMA (although not all s.6 matters are

addressed by national direction). Cabinet has now directed that this policy development will now take place as part of the Phase 3 reforms to replace the RMA. Phase 3 will include consideration of the effects management hierarchy (previously considered as part of the Phase 2 national direction policy development), subject to its fitness for purpose in the new legislation.

86. Therefore, this RIS does not consider the regulatory impacts of those policy proposals, nor their comparative benefits or costs with respect to options that have been progressed.

87. The options that have been progressed are those that will better enable EN activities and increase certainty and national consistency on decision-making and appropriate management of effects on the environment (other than effects on values identified as matters of national importance in s.6 of the RMA). Additionally, the options are those considered to be within the lawful scope of an NPS and Part 2 of the RMA. Until the Phase 3 reforms have been completed, the proposed amendments to the NPS-EN and NES-ETA will continue to be read alongside any relevant provisions of other national policy statements.

What options are being considered?

88. There are seven policy proposals listed in accordance with the problems (see Table 3 on next page). The scope of this RIS includes consideration of the status quo as the first option and policy options agreed by Minister's as the second option.

89. Table 2 below provides an overview of the differences between the instruments analysed and change in scope proposed. It should guide the reader as to which instruments and assets officials are referring to in this analysis.

Table 2: Guidance table to support interpretation of proposals

	Current instrument	***Scope***	***New proposed instrument***	***Scope***
NPS	National Policy Statement on Electricity Transmission 2008 (**NPS-ET**)	New and existing transmission assets	National Policy Statement for Electricity Networks (**NPS-EN**)	New and existing transmission and distribution assets
NES	National Environmental Standards for Electricity Transmission Activities 2009 (**NES-ETA**)	Existing transmission assets on or prior 14 Jan 2010 only.	National Environmental Standards for Electricity Network Activities (**NES-ENA**)	Existing transmission assets operational 14 Jan 2010 and new and existing distribution assets

Table 3: Summary – policy proposals for electricity networks national direction (NPS and NES)

Problem	Proposal	Proposed change
Problem 1: The national significance and benefits of the electricity network are not sufficiently recognised in decisions	*Proposal 1: Recognising the national significance and benefits of the electricity network (NPS)*	• Expanding the NPS-ET objective to include protection of the electricity network and recognition of the role the electricity network has in enabling renewable electricity generation, meeting energy security and emission reduction targets whilst ensuring climate resilience • Providing for the electricity network to be nationally significant, at all scales
	Proposal 2: Providing national direction for the electricity distribution network (NPS)	• The NPS-ET is renamed to **National Policy Statement for Electricity Networks (NPS-EN)**, covering electricity transmission and distribution, with appropriate protection and enablement for distribution activities, providing end to end national direction for the electricity network • The NES-ETA will be amended to include new rules for distribution activities and be renamed **National Environmental Standards for Electricity Network Activities (NES-ENA)**

Problem 2: Inconsistent policies and rules add unnecessary complexity, cost and delay	*Proposal 3: Enabling more routine work on the electricity network, in all environments (NPS and NES)*	• Amendments to NPS-ET and NES-ETA to align and use consistent definitions across both instruments where relevant
		• Amending NPS-ET policy to enable routine activities on existing infrastructure in all environments, provided effects can be practicably managed
		• Amendments to NES-ETA to enable a wider range of routine maintenance, operation and upgrade activities, in all environments by:
		  ○ adjusting matters of control and providing a more permissive activity status for certain activities when compliance not achieved with permitted activity conditions
		  ○ proposing management plan approaches to manage effects of routine blasting activities
		  ○ removing and amending overly prescriptive and unnecessary conditions or ways to manage effects
		  ○ amending regulations to better enable ancillary activities, such as vegetation clearance and earthworks
		• Additional NES-ETA amendments to improve workability
		• Additional regulations to enable distribution activities (common activities for new and existing assets) in NES-ENA

	Proposal 4: Providing permitted standards for EV charging infrastructure (NES)	• Introduce permitted activity standards in NES-ENA for public EV charging infrastructure

Problem 3: Decision makers lack guidance to balance competing interests and environmental values	*Proposal 5: Manage the effects of electricity networks (NPS and NES)*	• Amend the NPS -ET to:
		  ○ recognise route, site and method selection processes and network constraints in locating EN
		  ○ provide general considerations when considering and managing environmental effects of the electricity network
		  ○ provide for electricity network activities in urban environments and servicing new development
		  ○ ensure long term strategic planning for the electricity network
		• Update the NPS-ET and NES-ETA electric and magnetic field provisions to reflect current international recommendations
		• Amend the NES-ETA to include new and amended conditions to manage environmental effects (e.g. blasting, earthworks, vegetation clearance)

	Proposal 6: Recognise and provide for tangata whenua interests (NPS)	• Amend the NPS-ET to provide policy for Māori interests by:
		  ○ Taking into account the outcome of any engagement with tangata whenua on a resource consent, notice of requirement, or request for a private plan change, including through the site, route and method selection process
		  ○ Recognising the opportunities tangata whenua may have in developing and operating their own distribution infrastructure at any scale or in partnership
		  ○ Avoiding, where practicable, or otherwise mitigating, effects on sites and cultural values of significance to Māori
		  ○ Operating in a way that is consistent with iwi participation legislation, Mana Whakahono ā Rohe and Joint Management Agreements[39].

[39] 'iwi participation legislation' is defined at s58L of the RMA as legislation (other than this Act), including any legislation listed in Schedule 3 of the Treaty of Waitangi Act 1975, that provides a role for iwi or hapū in processes under this Act.

Problem 4: Protecting the electricity network from the effects of other activities is more time consuming and costly than it needs to be	*Proposal 7: Provide stronger protection of the electricity network (NPS and NES)*	• Amend the NPS-ET to include National Grid Corridor provisions to protect the ETN and extend their application to specific electricity distribution assets owned by EDBs • Amend NPS-ET to include long term strategic planning requirements and consideration of distribution infrastructure in intensifying urban areas • Amend NES-ETA to include new National Grid Corridor, National Grid Subdivision Corridor and earthworks rules for the National Grid, whilst retaining provision for the bespoke Auckland Unitary Plan approach to be retained • Amend NES-ETA to include rules to manage activities near existing distribution assets that require compliance with NZCEP 34:2001

Addressing Problem 1: The national significance and benefits of the electricity network are not sufficiently recognised in decisions

Proposal 1: Amend NPS-ET to recognise the national significance and benefits of the electricity network

Objectives	Enable ET and ED activities to support climate transition and resilience Make efficient use of existing networks and infrastructure Enable new electricity transmission and distribution activities to a higher degree than the status quo.
Proposal 1	Amending the NPS-ET to include a new objective and amended policies that direct decision-makers to: o Recognise and provide for the national significance and benefits of all EN activities at a national, regional and local scale o Recognise a wider range of EN benefits including its contribution to community well-being, the economy, a secure and resilient electricity supply, efficient storage and transfer of electricity, reductions in greenhouse gas emissions and electrification

Options considered for consultation

Option One – Status Quo – rely on existing NPS-EN policies (discarded)

90. Under the status quo, the existing policies would be unchanged. While many of the existing policies are still relevant, they are not sufficiently directive nor have a broad enough scope to achieve the intended objectives for EN.

91. Option 1 is discarded for this reason.

Option Two – Strengthened national policy direction (preferred)

92. This option proposed amends the NPS-ET to include a new objective and amending and adding more enabling and directive policies. The objective would require decision-makers to:

    a. Recognise and provide for the national significance of the EN
    b. Secure the resilience of the EN, including in relation to natural hazards and climate change
    c. Provide for the wellbeing of present and future generations including by increasing the capacity and delivery of the EN over time
    d. Recognise the role of the EN in emissions reduction and climate commitments
    e. Manage adverse effects in a proportionate and cost-effective way
    f. Protect the EN from the adverse effects of other activities.

93. This option would also provide a stronger policy for decision makers to recognise and provide for the national significance and benefits of the EN:

a. To be realised at national, regional and local scales
b. Provides for the wellbeing and needs of present and future generations
c. Provides essential services to support human life, economic development and functioning
d. Provides safe, secure, resilient electricity supply responsive to demand
e. Provides for efficient storage and transfer of electricity
f. Supports emissions reduction and electrification and an enhanced supply of electricity.

Recognising the national significance of EN

94. The NPS-ET 2008 includes an objective and policies that recognise the national significance and a limited range of benefits and requires decision makers to recognise and provide for those benefits. The proposals expand the scope of the objective to include the effects of climate change and the role of the EN in addressing resilience.

95. The more significant amendments to the objective are the signal that the delivery and capacity of the EN will increase over time in response to demand and that management of adverse effects must include proportionality and cost-effective considerations. These two provisions support Transpower and EDB providers to scale up the EN over time in response to demand and direct decision-makers to give appropriate consideration of the scope, scale and extent of mitigation measures.

96. Additional policies are proposed to recognise the contribution of the EN to modern life, the functioning of the community and the growth and development of the wider economy.

97. Collectively, these polices provide a comprehensive supporting policy framework that more accurately identifies the benefits of EN activities to a human and natural environment facing new and increased challenges from climate change and electricity supply stability.

How do the options compare to the status quo/counterfactual?

	Option 1 – *Status Quo*	Option 2 – Stronger direction for electricity networks to recognise and provide for its national significance
Effectiveness	0	++ Applicants no longer need to prove that proposals for electricity networks have benefits that are nationally significant. Decision makers are directed to recognise the national significance and benefits of electricity networks against any localised adverse effects. Provides a strategic framing of the electricity networks issue and provides long term planning direction for provision of EN.
Efficiency	0	+ Increases efficiency and consistency of planning for electricity networks across the country, which will improve the speed of decision making and reduce costs and uncertainty. This will also reduce the likely number of submissions and appeals. The proposed approach is designed to reduce regulatory costs by providing strengthened direction that leads to greater enablement of EN activities. However, this must be considered in the context of a potential reduction in the protection of the natural environment values that the RMA identifies as nationally important. This approach seeks to ensure that the regulatory burden (i.e. cost) is proportionate to the anticipated benefits of enabling EN activities. Reduces variation in plan provisions for electricity transmission and distribution infrastructure across all regional and district plans.
System alignment	0	++ Aligns well with existing RMA system, national direction and Government objectives for climate change and infrastructure, particularly meeting emissions targets. The proposed policy framework aligns with the approach taken in other 'activity-based' national direction; in particular the NPS for infrastructure (NPS-I) and the NPS for Renewable Electricity (NPS-REG).
Implementation complexity	0	++ The purpose of the strengthened objective and policies is to provide greater national consistency and certainty. Not complex to implement because councils can directly incorporate the objective or policy that recognises the benefits and national significance of electricity networks straight into their regional or district plan as soon as practicable without using Schedule 1. Consequential amendments may be required that do need to be incorporated using Schedule 1. Most councils have already incorporated NPS-ET 2008; therefore, this should not pose a significant departure of direction.

Te Tiriti o Waitangi outcomes	0	**0** The option aligns with the Treaty Impact Analysis (TIA) at the time of writing. However, as noted in the TIA, there has not been comprehensive consultation with PSGEs or iwi / Māori, and therefore the proposals cannot be considered to be consistent with the principles of te Tiriti. This inconsistency can be addressed through direct, meaningful engagement with PSGEs, and broader consultation with iwi / Māori through the release of the discussion document.
Overall assessment	0	**++**

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

98. **Option 2** is likely to best address the problem. It would provide consistency across the planning system, as well as clarity and certainty that could reduce the time and costs associated with planning and consenting processes and reduce the risk of litigation.

99. There are trade-offs from prioritising electricity networks ahead of other resources. Electricity transmission in particular generates localised adverse effects on the environment/community (such as loss of visual amenity), but the benefits of the system (sustainable, secure and affordable electricity supply), are conferred across local, regional and national scales. These choices ask communities to accept some degree of local costs in return for a secure, resilient electricity supply based on renewables.

Proposal 2 – Amend NPS-ET to provide national direction for the electricity distribution network

Objectives	Better enable ET and ED activities to support climate transition and resilience Enabling new electricity transmission and distribution activities to a higher degree than the status quo
Proposal 2	Amend NPS-ET to include national direction for electricity distribution. The NPS-ET would be renamed the NPS-Electricity Networks (NPS-EN). The objective and policies would apply across transmission and distribution.

Options considered for consultation

Option One – Status Quo – rely on existing regional and district plan provisions (discarded)

100. There is no national direction on electricity distribution networks under the RMA, leaving a gap in the national direction for the electricity system without recognising that the distribution network is an essential component of the electricity system and electrification journey.

101. Linear infrastructure such as electricity networks are required to cross multiple territorial boundaries with different rules applying for similar activities. This makes delivery of electricity distribution activities under the RMA challenging and does not provide the level of enablement required for electrification.

102. Under Option One there would be no national direction for electricity distribution and distribution would continue to be provided for under regional and district plan rules. Sub-transmission assets (high voltage 33kV, 66kV and 110kV lines), many of which are located on private property outside the road reserve, would continue to have less enablement and protection despite being the backbone of the distribution network.

103. In addition, a number of REG projects are located and designed to connect into the distribution network. In these circumstances the distribution network faces the same challenges as the ETN in that it has a functional need to go where REG and demand are located. There are also similar operational and technical constraints associated with

construction methods, span lengths, tower heights which can create challenges through the RMA consenting process.

104. Continuing to use the current range of district plan utilities rules to deliver higher volumes of ED infrastructure could ultimately slow down the delivery of REG and electrification.

105. Electricity Networks Aotearoa (ENA) is the industry membership body representing the 29 EDBs. In November 2023 they advised the Minister of Energy that the distribution sector is facing significant challenges to providing new connections (for instance, to provide customers connections for industrial process heat, EV charging point connections and new urban development etc). ENA has witnessed a 'step change' in the volume of connection inquiries and demand for significantly greater capacity connections.[40]

106. Option 1 is discarded for these reasons.

Option 2: Include national direction for all electricity distribution activities in the NPS-ET and rename as NPS-Electricity Networks

107. This option proposes amending the NPS-ET and renaming it **National Policy Statement for Electricity Networks (NPS-EN)**, and covering electricity transmission and distribution, with appropriate levels of protection and enablement for distribution.

108. This option would apply NPS-EN national direction to all distribution activities, recognising that the electricity system functions as an integrated network requiring all elements to deliver the end service to consumers.

109. This option proposes amending the NPS objective and amending and adding new enabling and protection policies to include ED activities by requiring that decisionmakers recognise and provide for the:

    a. national significance and benefits of the EDN
    b. operational and functional need to be in particular locations and environments
    c. consideration of management of adverse effects through route, site and method selection processes
    d. technical and operational constraints of the EDN to avoid, remedy or mitigate adverse effects
    e. routine activities necessary to operate, maintain and upgrade the ED
    f. early engagement of tangata whenua and avoiding where practicable sites and cultural values of significance to Māori
    g. EDN as an essential part of well-functioning urban environments
    h. Protection of the EDN from the effects of third parties
    i. Long term strategic planning for the EDN.

110. This option retains the ability to provide greater protection and levels of enablement for the transmission network while also providing appropriate policy coverage for the lower-voltage distribution network.

111. Collectively, these policies provide a comprehensive supporting policy framework that provides national direction where there is a current policy gap. The intent is to strengthen enabling policy and protection for the EDN, reflecting its key role in enabling REG and delivering electricity to end consumers.

[40] Electricity Networks Aotearoa Briefing to Incoming Energy Minister, November 2023. p. 9.

Discarded options:

112. Several options for the provision of national direction for electricity distribution were considered and discarded:

    a. Developing a standalone national direction tool for distribution (NPS-ED) was considered. It would be modelled on the NPS-ET and contain specific provisions for ED. This option was discarded because the consistency in policy direction between the ET and ED provisions did not warrant a separate NPS. Containing national policy direction for all electricity networks in a single NPS was considered a clearer, more consistent and efficient approach for NPS users (local government, electricity sector), decision-makers and government.

    b. Include sub-transmission distribution assets only within NPS-ET. This option would provide direction for ED infrastructure with a similar function to ET i.e. high voltage 110kV lines. This option would partly meet the objectives but would not provide direction for the lower voltage components of the distribution network which also require a nationally consistent framework to enable activities in support of electrification (for example electrification of transport network and process heat, battery energy storage systems).

How does the option compare to the status quo?

	Option 1 – *Status Quo*	Option 2 – Include distribution in the NPS-ET and reframe as NPS-EN
Effectiveness	0	**++** Expanding the NPS-ET to include sub-transmission and distribution assets has comparable adverse effects, so this will enhance the effectiveness of NPS-EN to provide a national framework to plan and consent for electricity transmission and distribution infrastructure.
Efficiency	0	**++** More efficient for the NPS-EN to capture network infrastructure beyond those assets owned by Transpower because the effects are comparable, irrespective of ownership. Will articulate how conflicts can be resolved to speed up decision making.
System alignment	0	**+** NPS-EN will align with other national direction and Part 2 (particularly s6 matters of national importance) and provide a one stop shop to resolve conflicts between competing environmental outcomes. Plugs the gap in national direction for electricity distributions and provides end to end coverage for the electricity system, linking REG to transmission, distribution, and ancillary infrastructure (eg, substations).
Implementation complexity	0	**0** National direction covering distribution infrastructure will be new for the RM system and it will be a new experience for EDBs to implement the provisions of those tools, but councils have extensive experience through consenting and plan making processes. Councils are well versed at national direction implementation and can incorporate the NPS provisions without using Schedule 1, however, the costs will vary from council to council.
Te Tiriti o Waitangi outcomes	0	**+** Crown supporting Māori business development generally by ensuring secure distribution and supply of electricity and Māori energy wellbeing. Greater certainty for EDBs encourage opportunities for Māori businesses to entry into the electricity market as distributors in the future.
Overall assessment	0	**++**

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

113. **Option 2** is the preferred option by officials. This option provides national direction for the entire electricity network, ensuring greater consistency across the planning system, as well as clarity and certainty that could reduce the time and costs associated with planning and consenting processes and reduce the risk of litigation.

Addressing problem 2: Inconsistent policies and rules add unnecessary complexity, cost and delays

Proposal 3: Enabling more routine activities and work on the electricity network, in all environments (NPS and NES)

Objectives	Enabling the ongoing protection, operation, maintenance and upgrading of existing transmission and existing and new distribution activities Make efficient use of and better protect existing generation capacity, networks and infrastructure
Proposal	Amendments to NPS-ET policy to enable routine activities on existing infrastructure in all environments Amendments to NES-ET to enable a wider range of routine maintenance, operation and upgrade activities, in all environments by: o adjusting matters of control and providing a more permissive activity status where permitted activity conditions are not complied with o removing and amending unnecessary overly prescriptive conditions or ways to manage effects o amending the regulations to better enable ancillary activities, such as vegetation clearance and earthworks Amendments to NES-ET to enable routine and common EDN activities for existing and new assets

Options considered for consultation

Option One – Status Quo – rely on existing NPS-ET and NES-ETA provisions (discarded)

114. Under the status quo, the existing policies and regulations would be unchanged. The NPS-ET and NES-ETA are no longer fit for purpose and will not support electrification at the pace and scale required.

115. Option 1 is discarded for these reasons.

Option Two – Amend both NPS-ET and NES-ETA to enable more routine works on the electricity network (preferred)

116. This option proposed amending both the NPS-ET and NES-ETA to enable more routine work by adding:

    a. a new policy in the NPS-EN recognising that decision-makers must enable routine EN activities, in all environments, provided adverse effects are avoided, remedied, or mitigated where practicable, acknowledging the existing nature of the assets

b. new consistent definitions in the NPS-EN and NES-EN for works categories - 'routine EN activities', 'non-routine EN activities', and 'ancillary activities' which cover the full scope of work required to operate, maintain and upgrade the EN.

117. These amendments would clarify the nature and scope of works that can be expected to be undertaken regularly to ensure that the EN can be operated, maintained and upgraded effectively and efficiently.

118. The key substantive change proposed is to enable routine EN activities 'in all environments' provided adverse effects are avoided, remedied, or mitigated where practicable, whilst acknowledging the state of the existing assets. This would be achieved through:

a. a more permissive activity status, for example greater use of controlled activity status where the permitted activity conditions are not complied with, where adverse effects are well known and can be managed effectively through consent conditions

b. refining existing regulations and conditions to be more workable while ensuring environmental effects are appropriately managed

c. amending matters of control and discretion to include the operational and functional need and benefits of the EN.

119. The intent of these changes is to enable routine EN activities on existing assets to occur in a timely and efficient way without unnecessary restriction, while still ensuring Transpower and EDBs take appropriate steps to avoid or mitigate adverse environment effects to the extent practicable using industry standards and operating procedures. This enabling policy direction will require consideration alongside more restrictive policies in other national direction instruments, for example provisions in the NZCPS to avoid certain adverse effects in the coastal environment and the NPS-FM to avoid the loss of extent of natural inland wetlands.

NES – electricity transmission activities

120. Further key changes to the routine activities are more enabling controls to allow for:

a. Larger upgrades and modernisation e.g. removal of limitations on number and configuration of conductors, increases in the permitted height and width of replacement support structures (e.g. 15% to 25%), and removal of problematic base height and footprint tests.

b. Vegetation management, including tree trimming and felling, with controls restricted to 'natural areas' (includes significant vegetation and habitats) and notable trees which only allow for clearance when required for safety or operational reasons with additional requirements to provide notice to the local authority addressing certain matters to ensure any adverse effects are managed. Outside these areas vegetation clearance will be permitted with no restriction (e.g. clearance of weeds and exotic vegetation).

c. Earthworks around support structures or access tracks as a routine ancillary activity necessary for the maintenance and upgrade of the ETN. Consent requirements would be retained where earthworks are undertaken within a natural area, historic heritage area or place, or on potentially contaminated land.

d. Discharges from blasting and applying protective coatings, a critical routine activity for towers and poles to manage corrosion. Transpower currently provides blasting management plans to regional councils as part of global resource consents, and it is proposed to extend this approach to allow Transpower to undertake this routine maintenance without resource

consent provided that they comply with specific management plan requirements, based on their established management practices with regional councils.

121. We are also seeking feedback on:

a. A proposed management approach providing a permitted activity pathway for earthworks, either generally or within a natural area or historic heritage place and area. Management plans for earthworks are used in other national direction (NES-TF and NES-CF) and could include standard requirements to manage adverse effects (e.g., sediment control, reinstating the site). A management plan approach would help avoid the need for resource consent for earthworks associated with routine maintenance on existing transmission and distribution lines while ensuring that there are processes in place to manage potential adverse effects.

b. Whether the NES should be expanded to include more regional regulations. The NES-ETA includes regional regulations relating to discharges from blasting and applying protective coatings and for discharges to water. Many unavoidable activities, necessary to facilitate the ongoing operation and efficiency of the National Grid, trigger regional rules and are not currently within the scope of NES-ETA. Transpower has identified five different regional activities that are regularly undertaken where adverse effects could potentially be managed through new regional rules in the regulations. Those activities are summarised in the table below.

Activity	**Potential rule descriptions**
River crossings	Permitting the use of river crossings for an existing transmission line subject to conditions relating to flows, discharges, cleaning and fuelling, use of machinery, fish passage, and erosion. A controlled activity consent would be required when the permitted activity conditions are not met.
Groundwater takes and use, dewatering	Permitting the take and use of water for the purposes of dewatering when undertaking routine ETN activities. This would include permitted activity conditions relating to duration, location, ground subsidence, flooding, discharges, discharge of TSS near sensitive receiving environments, compliance with ANZECC guidelines, and drinking water source protection areas. A controlled activity consent would be required when the permitted activity conditions are not met.
Stormwater discharges	Permitting discharges of stormwater subject to conditions relating to natural inland wetlands, HAIL sites, erosion, flooding, discharge of TSS near sensitive receiving environments, compliance with ANZECC guidelines, and drinking water source protection areas. A controlled activity consent would be required when the permitted activity conditions are not met.
Structures in the Coastal Marine Area	Enabling transmission activities to be undertaken as a permitted activity in the CMA subject to conditions relating to increasing the size of the structure, not being located in port, navigation or

	protected area, discharges, cleaning and refuelling, and use of machinery. A controlled activity consent would be required when the permitted activity conditions are not met.
Works in the bed of a lake or river	Enabling works to be undertaken within the beds of lakers and rivers subject to permitted activity conditions relating to access to lawfully established structures, fish passage, not be located in natural areas or historic heritage areas, and the works being undertaken in accordance with plan submitted to the relevant regional council hydrologic engineer. A restricted discretionary activity consent would be required when the permitted activity conditions are not met.

122. We are seeking feedback on the proposal to include additional regional regulations in NES-ENA and the scope, design and requirements of those regulations to better enable transmission and manage adverse effects appropriately.

123. Table 3 on the next page summarises the proposed amendments to the NES-ETA for transmission activities.

NES - electricity distribution activities

124. Option Two also proposes to make amendments to the NES-ETA to include provisions for distribution activities. The intent is to recognise the national significance of the entire electricity distribution network (EDN) to help achieve the proposed NPS-EN objective to increase the capacity and resilience of the entire EN network, and maintain a consistent approach between transmission and distribution to enable common and routine activities to be undertaken effectively and efficiently.

125. For consultation purposes, the proposed regulations for distribution activities have been included in a new sub-section and we are seeking general feedback on:

    a. The scope and scale of EDN activities that should be covered by the NES

    b. Whether the regulations should enable district plan rules to be more lenient or stringent, to take account of existing plan provisions that are enabling of distribution activities

    c. Whether ancillary activities associated with distribution activities (earthworks, vegetation clearance, signs etc.) should be managed in the same way as proposed for transmission activities or whether these need to be amended to be more fit-for-purpose.

126. The proposed NES regulations for EDN activities would allow the following activities on <u>existing</u> distribution assets to be undertaken as permitted activities subject to compliance with conditions controlling size, location etc:

    - Operation of existing EDN assets

- Temporary structures and line deviations associated with existing EDN assets
- Additions to existing EDN assets (overhead conductors, earth wires, telecommunication devices, new mid-span poles, underground conductors)
- Alteration, relocation and replacement of existing EDN support structures and cabinets
- Undergrounding existing EDN lines and replacing existing underground lines.

127. The proposed NES regulations for EDN activities would also allow the construction of new distribution lines and cabinets to be undertaken as a permitted activity subject to controls on location (land transport corridors, zones, natural areas, historic heritage place or area), height and area, and noise (as applicable). Where permitted activity conditions are not complied with, the regulations would require resource consent as a restricted discretionary activity. The proposed matters of discretion include visual and landscape effects, ecological effects, effects on any natural area or historic heritage place or area, proposed methods to mitigate adverse effects, technical requirements, functional and operational need of the EDN and benefits to and of the EDN.

128. In addition, the proposed NES regulations for distribution activities would require all relevant activities to comply with national and international accepted standards for radio frequency fields and electric and magnetic fields[41] to ensure there are not adverse effects on public health. Where any of the standards are not complied with, resource consent would be required as a non-complying activity.

[41] NZS2772.1:1999 Radiofrequency fields—Maximum exposure levels —3 kHz to 300 GHz and Non-ionising Radiation Protection Guidelines for limiting exposure to time varying electric and magnetic fields (1Hz – 100kHz) (Health Physics, 99(6); 818-836; 2010) and recommendations from the World Health Organisation Monograph Environmental Health Criteria (No 238, June 2007)

TABLE 3: SUMMARY OF NES-ETA TRANSMISSION AMENDMENTS TO BETTER ENABLE ROUTINE ACTIVITIES IN ALL ENVIRONMENTS

Amendment proposed	Description	Impact
General		
Activity status	• All the following activities that contain an RDA activity status will retain their original permitted activity status and the activity status when compliance not achieved with the permitted activity conditions not complied with will be changed from a RDA to a controlled activity: Earth-wires and telecommunication cables and adding overhead conductors, Alteration, relocation and replacement of transmission lines support structure, Discharges from blasting and applying protective coatings, Earthworks (except when undertaken on potentially contaminated land), Tree trimming and vegetation clearance.	• Councils will not be able to decline these routine activities associated with the transmission network because councils cannot refuse controlled activity consents, unlike RDA, they can only impose conditions within the matters of controls. This will give EN operators certainty that routine activities will be approved they can maintain their assets.
Matters of control and discretion	• Expand matters of control to include operational/functional need and benefits to the ETN for the following activities: earth wires and telecommunications cables and adding overhead conductors, undergrounding transmission lines, removal of transmission lines; alteration; relocation and replacement of transmission line support structures; discharges from blasting and applying protective coatings; tree trimming and vegetation clearance, earthworks.	• These amendments ensure alignment with NPS-EN, greater consistency and certainty and that all relevant matters can be considered. Additional relevant matters of control are included in specific regulations below.
Specific		
Earth-wires and telecommunication cables	• Remove limits of number of cables or wires permitted • Increase diameter of cable or wire from 25 to 28mm • Incorporate new operational noise standards with different limits in residential zones and other zones.	• These amendments remove unnecessary consent requirements for low risk, routine ETN activities. There are no clear effects-based reasons for limiting the number of earth-wires and telecommunication cables on transmission lines. The increase in cable size better reflects technical requirements.
Increasing voltage and current ratings	• Increase magnetic flux density threshold to 200 microtesla to be consistent with NES and NPS • Incorporate new operational noise standards with different limits in residential zones and other zones • Modelling methodology will be based on *conservative* rather than normal climatic conditions.	• Noise from lines must be within 45 dB LAeq (15min) in residential zones and 48 dB LAeq (15min) in all other zones. This level of noise is well within what is expected from ambient noise levels.
Removal	• Matters of control amended to delete controls on earthworks, tree and vegetation clearance • Include new reference to effects of removal works	• Minor impact – simply removes matters of control that are covered by other regulations.
Alteration, relocation and replacement of transmission line support structures	• Increasing the permitted threshold for increasing the height of existing structures from 15% to 25%. • Removing the requirement to comply with any plan rules relating to height restrictions within public view shafts. • Clarifying for occupied buildings that the setback distance is to be measured at the closest point. • Amend conditions that a pole must not be replaced or moved more than 10m (rather than 5m) from the existing pole. • Amend conditions to enable an increase in tower footprint to be up to 25% greater in length than the existing length of each side and remove requirements relating to “envelope for permitted activities” and “envelope for controlled activities”. • Removing the condition that a pole cannot be replaced with a tower. • Amended matters of control: new matter to consider effects on ‘sensitive activities’	• To better align with the NPS-EN policy direction, the definitions above, make the regulations more workable and enabling and remove unnecessary consent requirements. • More operational flexibility for Transpower to undertake routine work on existing ETN lines. • Remove problematic requirements relating to base height, base footprint, “envelope for permitted activities” and “envelope for controlled activities. • Risks that assets could be relocated into a more sensitive environment. • Nature of effects could be more than anticipated or appropriate for the zone if a pole can be swapped for a tower.
Temporary structures	• Enable temporary structures and line deviations by extending the duration to 12 months and enabling any temporary structure associated with maintenance and upgrade of an existing transmission line to be undertaken as a permitted activity.	• Temporary activities and line deviations allow repairs and supports the operator during unforeseen events ie, storm events.
Signs	• Removing all conditions associated with erecting or modifying a sign. Enables signs on existing ETN assets or next to ETN assets as permitted activity. • Signage within a bed of a lake, river, stream or Coastal Marine Area (CMA) is permitted without restriction • Delete the restricted discretionary rule associated with breaches to the signage permitted activity conditions as these will be removed.	• Appropriate signs prevent harm to workers, the public and property. Identifies assets and hazards; ensure no adverse effects on the electricity system, and compliance with the relevant legislation, industry rules, codes of practice and Transpower Service Specifications. • Visual effects associated with signs expected to minor compared to the existing ETN asset.
Discharges from blasting	• Broaden regulations to also cover mechanical preparation of surfaces of support structures and discharge to air associated with blasting. • Permitted activity conditions limit dry blasting within 10m of a water body, the CMA, public road and within 20m of an occupied building. Permitted activity conditions limit wet abrasive blasting within 20m of a water body, the CMA, public road, and occupied building. • Introduce an Environmental Management Plan (EMP) and Site-Specific Management Plan (SSMP) approach which sets out a range of requirements to include in each plan which must be provided to regional councils. Approach will be similar to global blasting consents already lodged by Transpower with councils. • New matters of control to include historic heritage place or area (in addition to the other matters of control noted above),	• Enables Transpower to undertake routine maintenance activities on existing ETN lines without resource consent based on their established management practices and processes with regional councils. • Possibilities of water or soil contamination from zinc in the vicinity of the blast out area. • Blasting management plans could not be refused if the council were not satisfied with them (but the plan would need to meet the requirements set out

		in the regulations in order for the blasting to be undertaken as a permitted activity).
Earthworks	• Amend condition so earthworks require controlled activity consent resource consent of located in a natural area or historic heritage place or area. • Removing area limit for earthworks carried out in a 'natural area' (replaced with controlled activity condition above). • Sediment control measures to apply when earthworks locate within 50m of waterbodies, wetlands and the CMA (rather than everywhere). • Replace requirement for earthworks not to create drainage or flooding problems or overland flow path, with a requirement to not create or contribute to flood risk in identified flood hazard areas. • Deleting condition that earthworks are not to be on bed of a lake or river or the CMA.	• Controlled activity consent required when earthworks located within natural area or historic heritage place or area regardless of scale. Will enable conditions to be imposed to protect indigenous biodiversity, natural landscapes and historic heritage values. • Permitted activity conditions are refined to be more workable and certain. • Risks to create flooding or overland flow path in areas no identified as a hazard overlay. • Risks that inappropriate earthworks occur within a natural area and the consent authority cannot decline consent.
Tree trimming and vegetation clearance	• New conditions to restrict tree trimming or vegetation clearance in natural areas and on notable trees and only this to be undertaken as a permitted activity when required for specific operational or safety reasons as follows: o To comply with the Electricity (Hazards from Trees) Regulations 2003; or o To provide for the operation, maintenance or repair of existing access tracks; or o To prevent damage, or the threat of damage, to the ETN and other conditions are met (including notice to the local authority detailing the clearance being undertaken and methods to mitigate adverse effects) • Outside of natural areas and notable trees, vegetation clearance will be permitted with no restriction. • Add new matters of control relating to the nature, scale, timing and effect of indigenous vegetation clearance and trimming, effects on natural areas	• Improvements to support maintenance of the National Grid by ensuring access to the lines is not precluded by trees or vegetation. This is important to the safety or the workers. Removing inappropriately located trees will reduces risks of felling, and therefore damage to the conductors, its supporting structures and property.
Minor changes	• Circuit provisions relocated with overhead conductors. • Operation of a transmission line, including occupation as well as use of an access track is a permitted activity.	• Minor visual effects from additional circuit on existing lines.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	*Option Two – Amend NPS-ET and NES-ETA to enable more routine maintenance and upgrade works and align their directions*
Effectiveness	0	++ Policy would direct decision makers to enable routine works and upgrades and the NES rules can provide framework to enable routine work. Routine works could occur in all environments to support the ongoing operation and life of the electricity network without consenting burden. May increase contamination in sensitive environments (particularly problematic for terrestrial and aquatic habitats for indigenous fauna, wetlands, soils).
Efficiency	0	++ NES rules will provide clear permitted or controlled activities to enable more routine maintenance on existing transmission assets. Without changes to the NES, it is likely councils will vary how they apply rules to control adverse effects without using NESs
System alignment	0	++ Most closely aligns with the Government's objective to enable the ongoing operation and protection of EN in all environments. Aligns with national directions relating to infrastructure which seek to provide permitted activities for routine activity to reduce consenting burdens and aligns with other comparable activities such as telecommunications facilities.
Implementation complexity	0	+ Some upfront time costs to develop this option but later time costs during implementation are much reduced. NES rules override plans so would take immediate effect and could be implemented by councils relatively quickly after enactment without using a Schedule 1 process. NES directly supports policy implementation in practice.
Te Tiriti o Waitangi outcomes	0	- Some Māori may be affected by this policy to the extent that ET infrastructure is located on Māori land. Where it does, there are likely to be ongoing effects. This could range from cultural offense to soil or water contamination from corrosion or blasting.
Overall assessment	0	++

Which option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

129. **Option 2** is the preferred option by officials as it would provide greater consistency across the planning system, as well as clarity and certainty that in turn could reduce the time and system costs associated with planning and consenting processes for existing EN infrastructure.

130. Feedback will be sought in consultation on:

    a. whether the NPS-EN policy direction for work on existing infrastructure in 'all environments' needs to be modified to avoid conflicts with other national direction

    b. the extent to which the NES should be expanded to cover EDN activities and the provision for the plan rules to be more lenient than the NES

    c. the application of more permissive activity status when permitted activity conditions are not complied with and amendments to matters of control and discretion in NES

    - specific changes to NES regulations to enable routine activities

    d. proposals to manage adverse effects through the use of management plans e.g. for blasting discharges

    e. the use of new categories to define works and ancillary activities.

Proposal 4 – Developing new permitted activity status for EV Charging Infrastructure

Objective	The Government has committed to increasing the uptake of public EVs. The Supercharging EV infrastructure work programme aims to establish 10,000 charging points by 2030. Greater availability of charging points will incentivise consumer's switching to EVs by reducing range anxiety.
Proposal	Develop permitted activity standards in NES-ENA

Options considered for consultation

Option One – Status quo – provide for EV charging infrastructure in district plans (discarded)

131. There are no EV Charging rules standards in national direction, which has created uncertainty for CPOs as they encounter varying rules in different jurisdictions.

132. Public EV charging points rely on DC (direct current) grid connections to connect public charging units to make them operational. Different district or unitary plans have different rules and consenting requirements for EV charging infrastructure. Most EV charging infrastructure is of small to medium scale and adverse effects associated with EV charging infrastructure are generally no more than minor. The main adverse effects that local authorities seek to control relate to bulk, location and traffic effects.[42]

133. Some CPOs have raised concerns that they lack clarity regarding networks' capacity to accommodate new chargers in specific locations. The Electricity Authority have consulted on

[42] Electric Vehicle Charging Infrastructure: Issues and Options for National Direction under the RMA. SLR Consulting New Zealand, November 2024.

and are developing proposals to address barriers for efficient network connections through both pricing changes and streamlining application processes for new connections.[43]

134. Option 1 is discarded for these reasons.

Option Two – Permitted activity status for EV Charging Infrastructure (preferred)

135. This option would include a rule in NES-ENA to make new EV Charging Infrastructure a permitted activity, where this is consistent with the RMA. The table below summarises the policies proposed for consultation.

136. The key benefit of this proposal is that is reduces regulatory barriers to install new EV charging infrastructure so we anticipate supply of the units will increase, as well as reduced costs. Environmental effects can be effectively managed using activity standards for effects such as noise, bulk and traffic.

137. Officials will also ask the public in consultation whether they would prefer EV Charging Infrastructure standards should be included with NES-ENA or included as an NES as its own standalone instrument.

Scenario	Current requirements	Proposal for consultation
(1) Private charging at home or at work.	Permitted activity.	Default permitted activity status or not provide national direction for this scenario.
(2) Public charging in land transport corridors.	Depends on district plan, may be permitted within limits.	Default permitted activity status, with no limits on scale or other variables (Road Controlling Authority approval and relevant bylaws will still apply).
(3) Public EV chargers that are ancillary to other activity (e.g. in a service station or supermarket carpark).	Depends on conditions of existing resource consent (in some cases, this could require changing or cancelling the conditions of a resource consent).	Default permitted activity where all permitted conditions (size, noise, earthworks) are met. Existing consents will prevail, but EV charging will be a permitted activity where it meets the permitted standards and where effects are no more than minor.
(4) Stand-alone public charging outside of residential areas, natural areas or a historic heritage place or area.	Consent requirements depend on provisions of district plan.	Default permitted activity where all permitted conditions (size, traffic volume, noise, and earthworks) are met. Proposals with significant adverse effects may require a restricted discretionary activity resource consent.

Discarded options

138. Officials considered whether a national policy on EV charging infrastructure that could sit in an NPS could be an appropriate option to consider but have not advised on this as an option because Ministers were interested in options to develop a permitted activity for public EV charging infrastructure as part of their manifesto.

139. Non-regulatory options were not considered because the core problem relates to barriers created by resource consent requirements and therefore a regulatory option under the RMA is the most appropriate mechanism to streamline planning requirements for EV charging

[43] Network connections | Our projects | Electricity Authority.

infrastructure. Strategy documents, for example, that are non-statutory would have no impact on local authority consenting and would be ineffective and duplicative.

Limitations on policy proposal

Engagement

140. There was limited engagement with the industry, however options were discussed with key stakeholders[44] across October/November 2024.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	Option 2 – Establish NES making EV infrastructure a permitted activity where this possible under the RMA
Effectiveness	0	++ Permitted activity status means that no CPO must obtain resource consent (unless other circumstances trigger the provisions of other plan rules). New national direction for EV Charging Infrastructure Creating standards to address the policy gaps on EV charging consents. Option 2 is more effective than the status quo and most likely to meet the Government's target to roll-out 10,000 public EV charging points.
Efficiency	0	++ Reduce the consenting burden for CPOs and local authorities, increasing supply where there aren't market constraints.
System alignment	0	++ The permitted rule will be consistent with other comparable activities regulated under the RMA for bulk and location. This proposal aligns well and delivers on outcome 3 (Aotearoa's EV charging system is underpinned by integrated planning and standards across multiple sectors) of the National electric vehicle charging strategy for New Zealand 2023-2035.
Implementation complexity	0	++ No complexity is expected. The NES rule and performance standards override plans, so it takes force immediately 28 days after gazettal. Councils can incorporate the permitted activity rules into their district plans as soon as practicable without using Schedule 1 plan making process.
Te Tiriti o Waitangi outcomes	0	There are no Te Tiriti specific outcomes to consider. Public EV Charging points will benefit both Māori and non-Māori, who own EVs, and future EV owners.

[44] The proposals were sent to Drive Electric, a not-for-profit advocacy organisation focused on increasing electric vehicle (EV) uptake across all industries and the decarbonisation of New Zealand's transport sector. Following this a subset of their members met with officials to discuss the proposals further

		Making EV infrastructure a permitted activity will decrease the influence that PSGEs and other Māori groups have on activities through the consenting process.
Overall assessment	0	++

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

141. Option 2 is the preferred option by officials as it would provide national consistency across the planning system, as well as clarity and certainty that in turn could reduce the time and costs associated with planning and consenting processes for EV Charging.

142. The key benefit of this proposal is that is reduces regulatory barriers to install new EV charging infrastructure so we anticipate supply of the units will increase, as well as reduced costs. Environmental effects can be effectively managed using activity standards for effects such as noise, bulk and traffic.

143. There is a potential that the standards will fail to appropriately capture 'EV charging hubs' with lots of charging units in once place. There could be impacts in relation to traffic flow or residential or coastal/rural amenity, which may cause local nuisance, but prevent local authority intervention.

- MfE and MBIE recommend that the proposed rule for private charging units at home or work should be tested in consultation as permitted, but we consider that there should be specific conditions in relation to heritage buildings to prevent cumulative effects or unacceptable visual effects on heritage values.[45] Feedback will be sought in consultation.

[45] Protection of historic heritage from inappropriate subdivision, use and development is an RMA section 6 matter. Where the national direction is not clear or silent on the interaction between EV charging and heritage, decision makers will apply the heritage rules in their district plans. In this case, the status of charging units on or near heritage buildings will be inconsistent nationally.

Addressing problem 3: Decision makers lack guidance to balance competing interests and environmental values

Proposal 5: Manage the effects of electricity networks

Objective	Enable new electricity transmission and distribution activities to a higher degree than the status quo
Proposal	NPS-EN to include four new policies to manage effects: a. Two policies to support identifying an appropriate location and route for EN development and general effects management considerations for decision makers. b. Two further policies that relate to the urban environment and long-term strategic planning. Retain existing Policy 8 NPS-ET, with minor amendments Amendments to update existing NPS-ET policy for Electric and Magnetic Fields

Options considered for consultation

Option One – Status Quo: rely on existing NPS-ET effects management policies (discarded)

144. Under the status quo, the existing effects management policies would be unchanged. Adverse effects are largely managed through policies 4, 6, 7 and 8 in the NPS-ET.

- While the intent of the existing policies is still relevant, they do not collectively provide a clear and cohesive policy framework to achieve the intended objectives for EN.

145. Option 1 is discarded for this reason.

Option Two –Strengthened policy direction in the NPS-EN to manage effects (preferred)

- As noted in earlier in this RIS, early policy development (and the 2023 consultation) considered addressing potential conflicts across national direction instruments. The Government has now directed that policy to direct decision-makers on the management of effects on values addressed by other national policy statements will be addressed as part of the RMA replacement legislation. This has meant that the existing provisions in Policy 8 NPS-ET have been largely retained to ensure consistency for decision-makers until the replacement RMA effects management legislation is developed.

146. The effects management policies that have been progressed are those that will better enable EN activities through the route selection process and recognition of operational and functional need to be in particular locations.

147. This option proposed amending existing policies and adding new policies to be more enabling and directive and better recognise the nature of, and need for, EN activities. This requires:

    - retaining Policy 8 NPS-ET, with minor changes
    - amending Policy 4 NPS-ET to better support route selection processes and network constraints

- amending Policy 3 NPS-ET to recognise the technical, operational and functional needs for EN to be in sensitive environments
- amending policy 6 to support managing effects during non-Routine upgrades.
- adding new policy to provide general direction on managing adverse effects.

148. The policies, which are explained in detail below, would direct decision makers to:

    a. Recognise and provide for the operational and technical constraints of EN in route, site and method selection processes and that it is the role of the EN provider to determine the technical solution for a proposed EN activity

    b. Have regard to the extent to which any adverse effects have been avoided, remedied or mitigated by the route, site, and method selection

    c. Recognise and provide for EN activities that have an operational need or functional need to locate in sensitive environments (subject to other relevant national direction)

    d. Recognise that there may be unavoidable adverse effects on some values, which could be significant

    e. Recognise that EN activities are required to increase the capacity and delivery of the EN over time, including in urban areas

    f. Consider practicable opportunities to reduce existing adverse effects when considering upgrades.

149. There are also minor updates to the existing policy to manage Electric and Magnetic Fields (EMF) effects, to update the international guidelines to the most current version (2010) and address inconsistencies in magnetic flux density levels between NPS-ET and NES-ETA. The amended policy would require decision-makers to:

    a. comply with the 2010 International Commission on Non-Ionising Radiation Protection guidelines instead of the 1998 version

    b. Clarify that the exposure level in the NES should be 200 microtesla to be consistent with the NES

<u>Recognising and providing for route, site and method selection processes</u>

150. The NPS-ET included policy requiring decision-makers to have regard to the extent that adverse effects were avoided, remedied or mitigated by the route, site and method selection for new ETN infrastructure and major upgrades. Therefore, the status quo does not require much change to achieve the objectives, and the regulatory impact is accordingly limited in scale, except to the extent that decision-makers are required to apply these polices in relation to locations that would otherwise have been inaccessible due to the protective polices in other national direction or plans.

151. The key substantive changes proposed are to recognise the role of Transpower and the EDN provider in determining the purpose, scope, capacity and technical solution for a proposed EN activity and identify the preferred site, route and method for EN activities. This policy is intended to support the existing investment and route selection processes undertaken by Transpower and EDN providers, for example the ACRE route selection process and the Commerce Commission capital investment proposal process which determines the funding for a technical solution.

152. Other substantive changes proposed are to recognise and provide for the operational and functional need to be particular environments and that there will be unavoidable adverse effects on some values regardless of the route, site and method selected. The intent is to

clarify that adverse effects on sensitive values may be unable to be avoided along the entire length of a EN route and that, in some cases, changing a route to avoid a value in one area leads to adverse effects in another. Balancing the need for new EN infrastructure with environmental and social considerations is challenging and often requires difficult trade-offs to be made.

Recognising that EN activities may have functional or operational need to locate in sensitive areas

153. The NPS-ET includes policy to support the 'technical and operational requirements' of the network and the preamble includes characteristics of the ETN that may may require it to be in locations. Policies 7 and 8 provide for the ETN to locate in sensitive environmental areas (including areas comprising values identified as matters of national importance in section 6 RMA). However, it does not specify that the EN may sometimes have a functional and operational need to be in particular locations and environments.

154. The key substantive changes are to introduce policy recognising the functional and operational need for EN to be in certain locations, including areas with section 6 of the RMA values and that there may be unavoidable effects on those environments. Additional provisions are included for decision-makers to recognise specific needs of the EN including to convey electricity over long distances and through a range of environments, the need to operate as a network, to improve capacity and resilience and to connect to electricity generation and respond to demand, wherever located.

155. However, there must be a balance between enabling EN activities and ensuring that identified matters of national importance are sufficiently protected, in accordance with the sustainable management purpose of Part II of the Act. This is particularly important where values are finite in nature, and even more so where these values are already under significant pressure, such as threatened indigenous species.

156. Evaluating these values is challenging because they are often hard to measure, and there is frequently a lack of sufficient data to fully grasp the potential impacts.

157. For these reasons, any existing national direction on section 6 values, along with local plan provisions (such as those for outstanding natural landscapes), will remain in effect and be considered alongside the NPS-EN provisions. The supporting EN policies will allow decision-makers to consider the national significance, benefits and requirements of EN activities against the values in the local context.

Considering opportunities to reduce existing adverse effects during non-Routine upgrades

158. NPS-ET policy 6 requires decision-makers to consider whether substantial upgrades have reduced existing adverse effects. This policy is particularly relevant in urban areas or areas where there are cumulative impacts from multiple ETN lines. It has, to a certain extent, driven demand for undergrounding of ETN lines, an activity that Transpower has identified as being 10 times more expensive than overhead lines[46].

159. The proposals include requiring decision-makers to consider practicable opportunities and measures to reduce existing adverse effects for non-Routine upgrades (larger upgrades on existing lines, with likely significant adverse effects), while taking into account the technical and operational constraints of the EN and any financial implications.

160. From a regulatory impact perspective, these policies largely build on existing policy and provide greater certainty for EN providers that decision-makers will not require full reconsideration of the chosen project option. Greater certainty is also provided for other parties seeking to undertake land use activities requiring upgrades or realignment of EN, for

[46] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf.

example transmission line realignment to support major housing developments or key roading infrastructure.

161. The regulatory impact on the environment is limited as the policies apply to other land use activities rather than environmental values.

162. Collectively, the policies would work together to provide a comprehensive policy framework that supports EN development, while still requiring EN developers to manage adverse effects.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	**Option 2 – New policies in NPS-EN to manage effects**
Effectiveness	0	**+** Explicitly requiring decision makers to recognise and provide for the technical and operational considerations of the EN in decisions will achieve the objectives (in part) and is a solution to the identified problem that the NPS-ET policies are insufficiently directive to enable EN activities in sensitive areas. These policies work together to strengthen the EN considerations for managing adverse effects and recognise that there may be unavoidable adverse effects remaining after applying effects management. They will support local decision making to enable development of new EN assets. There are trade-offs required between achieving the objective of increasing EN delivery and being consistent with the sustainable management purpose of the RMA by protecting matters of national importance. Those trade-offs have been considered to reduce impacts on the natural environment while meeting the government's direction on enablement. The overall impact of these enabling policies on the natural environment (including people's relationship with the environment and economic benefits from the environment) cannot be quantified at this point, as the impacts will vary case-by-case and depend on a range of factors such as project location, or environmental mitigation measures.
Efficiency	0	**++** The approach is designed to reduce regulatory costs by providing stronger national direction policy that allows for greater consideration of EN constraints. There is a potential reduction in the protection of the natural environment values that the RMA identifies as nationally important. Taken together the proposals are more cost-effective than the status quo by increasing consenting certainty.
System alignment	0	**++** The proposals align well with the existing RMA system and national direction. They extend the original intent of NPS-ET to enable EN activities. The proposals align with the approach taken for NPS-REG 2011 and the proposed NPS-Infrastructure.
Implementation complexity	0	**++** The proposals intend to provide greater national consistency, certainty and predictability for management of EN activities. This consistency benefits applicants, local authorities and decision-makers and provides greater

		certainty for affected parties who may wish to submit on consent applications. Following gazettal the NPS policies will be included in decision-making and will need to be read alongside policies in local planning instruments that reflect matters of importance to the local community.
Te Tiriti o Waitangi outcomes	0	**0** The option aligns with the Treaty Impact Analysis (TIA) at the time of writing. However, as noted in the TIA, there has not been comprehensive consultation with PSGEs or iwi / Māori, and therefore the proposals cannot be considered to be consistent with the principles of Te Tiriti. This inconsistency can be addressed through direct, meaningful engagement with PSGEs, and broader consultation with iwi / Māori through the release of the discussion document. Further enabling EN in sensitive environments, including areas of significance to Māori, can lead to difficult trade-offs and adverse effects, some of which may be significant. The proposals are intended to support tangata whenua involvement in early planning processes to help mitigate this risk but must be weighed against the overall proposal of enabling development.
Overall assessment	0	++

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

163. **Option Two** is the preferred option by officials as it would provide greater consistency across the planning system, as well as certainty and clarity that in turn could reduce the time and costs associated with planning and consenting processes and reduce the risk of litigation.

Proposal 6 – Recognising and providing for Māori interests

Options

Option One – Status quo – no direction in NPS-ET (discarded)

164. The NPS-ET does not include any policies for Māori values, engagement and aspirations, although the NES-ETA include sites of significance to Māori in the definition of historic heritage.
165. Local authorities have separately developed a range of provisions, processes and arrangements to meet their obligations to iwi / Māori under section 6)e), 6(g), 7(a) and 8 of the RMA. In general terms these seek to ensure that there are opportunities for iwi / Māori to e involved in plan development, consent applications, or notices of requirement. Under option One these existing provisions, processes and arrangements will stand.
166. Maintaining status quo may result in inconsistent approaches to engaging with Māori on matters under the RMA. The gap in national direction has created uncertainty for consenting processes and outcomes and has led to litigation, project delays and deferral of key upgrades.
167. Under the status quo this gap in policy direction would remain. Option 1 is discarded for this reason.

Option Two – Policies that relate to Māori values, engagement and aspirations

168. The 2023 consultation draft included policies to address Māori values, interests and engagement and we propose further amendments so that the NPS-EN and NES-ENA better reflect these matters and the purpose and principles of the RMA.

169. EN projects can have both positive and negative adverse effects for tangata whenua and for the land, water and other taonga that are sacred to them.

170. Iwi / Māori have significant interests in renewable energy and constraints in EN could inhibit or delay projects and the means to meet Māori aspirations for social advancement and economic development.

171. EN also adversely affects Māori rights and interests and cultural values, particularly where these are developed in areas of cultural and historical significance to mana whenua. Historical decision-making processes have led to a significant number of EN assets located on sites of significance to Māori and these are anticipated to continue to operate. However, in some cases proposals to mitigate the effect on one value leads to an effect on a cultural site of significance. The Transpower realignment proposal in Rangataua Bay, Tauranga, is an example of extensive litigation over the adverse effects on an area of cultural significance. See Appendix C, source 8, for further detail.

172. The feedback from Māori and iwi on the 2023 consultation supported the inclusion of policies that relate to Māori interests in NPS-EN, the upgrade and use of existing network infrastructure where possible, early engagement with tangata whenua on projects and protection of sites and cultural values of significance.

173. Transpower has indicated that the route selection process is the best place to address adverse effects of ETN development projects. Identification of sites and values of significance would ideally be undertaken through early and meaningful engagement with tangata whenua, to the extent that they wish to be involved.

174. In recognition of these requirements, the proposal is based on the policy included in the NPS for Urban Development 2020, with amendments to reflect the nature of EN activities and the EN project planning and development process:

Decision makers and consent applicants (as appropriate) must recognise and provide for Māori interests in relation to the EN by:

a. Taking into account the outcomes of any engagement with tangata whenua on a resource consent, notice of requirement, or request for a private plan change, including through the site, route and method selection process
b. Recognising the opportunities tangata whenua may have in developing and operating their own distribution infrastructure at any scale or in partnership
c. Avoiding, to the extent practicable, or otherwise mitigating, the effects on sites and cultural values of significance to Māori

d. Operating in a manner that is consistent with iwi participation legislation, Mana Whakahono ā Rohe and Joint Management Agreements[47].

175. The intent behind this policy is to clearly direct plan-makers, applicants, EN operators, and decision-makers to ensure that, where relevant, there is early and meaningful engagement with tangata whenua. The purpose of this policy is two-fold - to give effect to the principles of te Tiriti in accordance with section 8 of the RMA, and to ensure there is an opportunity for iwi / Māori to identify and provide information on local sites and values of significance to them.

176. The proposal to 'avoid, where practicable, or otherwise mitigate' reflects the network constraints that might preclude an EN operator from avoiding a site of significance completely. This policy would work together with Policy 2 in the NPS-EN whereby EN operators must first demonstrate a functional or operational need to be in a location which has s.6 RMA values. The proposed policy includes an expansion to enable EN activities that cannot practicably avoid sites of significance, provided that adverse effects are appropriately mitigated, particularly where assets are already located in sites of significance and avoidance is not possible.

177. The purpose of applying this policy to 'applicants, as appropriate', as well as decision-makers is to identify that there are circumstances in which it is appropriate and/or required (by local planning instruments) that applicants engage with local iwi / Māori groups. While this is generally considered good practice by the electricity network sector, including this provision in the NPS ensures that local planning provisions that identify the circumstances in which, and with whom, applicants should engage prior to making an application.

178. Some Treaty settlement legislation specifically requires that local iwi / Māori are provided decision-making opportunities on matters that are addressed in the settlement legislation. This policy restates that requirement, as well as decision-making opportunities where values local of significance to local iwi / Māori may be impacted. The NPS-EN is not intended to replace other requirements, but rather restate and reiterate, and provide direction where there are no other formal arrangements already in place.

179. Mana Whakahono ā Rohe also provide for iwi and hapū to have participation arrangements with their local authority in respect to both plan making and consent decision making under the RMA. Sections 58L-58N of the RMA set out core provisions relating to iwi participation legislation/ Mana Whakahono a Rohe.

180. Inclusion of a specific policy in the NPS-EN is intended to clarify that the NPS-EN does not prevail over arrangements made under iwi participation legislation / Mana Whakahono a Rohe.

181. The proposals will not directly impact these decision-making process requirements under the RMA, Treaty settlements, the Takutai Moana Act, and the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act.

182. However, further work will be required (post-consultation) to ensure these mechanisms are upheld.

[47] 'iwi participation legislation' is defined at s58L of the RMA as legislation (other than this Act), including any legislation listed in Schedule 3 of the Treaty of Waitangi Act 1975, that provides a role for iwi or hapū in processes under this Act.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	Option 2 – recognise and provide for tangata whenua interests in electricity networks
Effectiveness	0	++ The overall policy objective is to enable EN activities and does not include specific reference to providing for Māori engagement, values and aspirations. However, the objectives and policies in the NPS-EN reflect the purpose and principles of the RMA and sections 6(e), 7(a) and 8. The proposal also relates to the Crown's obligations under the Treaty of Waitangi, as well as the additional considerations of taonga and kaitiakitanga, which are required under Part 2. The proposal seeks to address Māori engagement, values and aspirations, by giving strong hooks for engagement 'at place' with Māori on a case-by-case basis. The extent to which this satisfies expectations and obligations for engagement will depend on implementation by local government and applicants.
Efficiency	0	++ Engagement with iwi / Māori can increase upfront costs and require time to undertake. Early engagement can increase the efficiency by reducing applicant's costs overall, reduce processing timeframes and can lower system costs for local authorities and Courts on appeal.
System alignment	0	++ The proposed policies integrate well with the statutory framework and Part 2 RMA, which seeks to provide for social, cultural and economic wellbeing while managing adverse effects on matters of national importance and to take into account the principles of the Treaty of Waitangi. The policy is consistent with the NPS-REG and proposed NPS-Infrastructure Māori-related policy, but adjustments have been made where appropriate for EN.
Implementation complexity	0	- The policies direct decision-makers to follow well-established practices in compliance with RMA requirements to engage with iwi / Māori. There is a high likelihood that the policies can be successfully implemented within reasonable timeframes. This is not a significant policy shift to the current good practice that is applied across the country. There is a risk that the enabling provisions for EN on sites of significance provide greater scope for EN activities without due consideration to avoid in the first instance. This group of policies will

		increase certainty and provide predictability about regulatory requirements over time.
Te Tiriti o Waitangi outcomes	0	++ This group of policies is specifically designed to promote the principles of participation and active protection. However, further engagement is required in order to understand how these policies, and the NPS-EN as a whole, can better align with te Tiriti principles.
Overall assessment	0	++

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

183. Option Two, which addresses early engagement in the part of the process with the greatest opportunity to address adverse effects, recognising Māori aspirations and values and provides direction for EN work on sites of significance is considered most likely to address the wider policy objectives and deliver the highest net benefits. It reinforces the importance of direct involvement in decision-making on proposals in areas that contain sites of significance to Māori.

184. The proposed policies in Option Two will require further engagement with iwi / Māori.

Proposal 7 – Establish National Grid corridor rules

Objectives	Enable the ongoing protection, operation, maintenance and upgrading of existing transmission and distribution activities Make efficient use of and better protect existing generation capacity, networks and infrastructure
Proposal	Amend NPS-EN and NES-ENA to include policy and regulations for a buffer corridor to protect EN infrastructure from nearby activities

Options considered for consultation

Option One – Status Quo – rely on provisions in regional and district plan

185. Policy 11 NPS-ET directs local authorities to consult with Transpower and identify a buffer corridor to manage the adverse effects of third parties on the ETN, including reverse sensitivity and direct effects.

To date, 70% of district plans have implemented the National Grid corridor policy.[48] A remaining 27% of councils have commenced a process to give effect to Policy 11. Councils reported in 2019 to agencies that implementation of NPS-ET policy 11 has been challenging

[48] Based on analysis of district plans undertaken by Transpower.

and one of the costlier aspects of NPS-ET implementation[49]. This policy implementation has also come at the cost of $14M to date for Transpower[50].

186. The National Grid Corridor Yard and Subdivision rules were developed by Transpower with stakeholders such as Federated Farmers and this is generally accepted best practice.

187. There is no national direction that provides similar protection for distribution activities. Local plans includes policies and rules which vary across the country.

188. Under the status quo, the existing policies would be unchanged. Policy 11 is outdated and does not achieve the intended objectives for EN enablement.

189. Option 1 is discarded for these reasons.

Option Two – Include rules for the National Grid Yard and Subdivision Corridor in NPS-EN and NES-ENA

190. This option proposed to provide more directive policies in the NPS-EN to better protect the EN from the effects of third-party activities. The policy includes the National Grid Yard rules, National Grid Subdivision Corridor rules and rules to protect EDN from third parties in the amended NES-ENA. The NPS-EN policy directs decision-makers to:

    a. Avoid direct and reverse sensitivity effects on the EN, to the extent reasonably possible, within a specified setback area

    b. Ensure that the functioning of, and access to, the EN is not compromised by the development or vegetation nearby

    c. Identify EN assets in their district

    d. Engage with ETN operator to confirm the buffer corridor

    e. Engage with EDN operators to identify an appropriate buffer corridor for EDN and ensure compliance with safe electrical distances for subdivision, building and earthworks.

191. The option also proposed rules applying to the National Grid Yard and the Subdivision Corridor (illustrated in Appendix D), are introduced in the NES-ENA. We are seeking feedback in consultation on whether these rules could be extended to regionally significant sub-transmission assets owned/operated as part of the distribution network and what threshold of EDN assets should apply.

192. The proposal to amend NES-ENA includes policy that recognises and provides for the Auckland Council Compromised and Uncompromised Spans. This approach provides an exemption for Auckland from the National Grid Yard and Subdivision corridor rules by retaining the bespoke span by span rules which afford greater development leniency around compromised spans. The rules were developed for the Auckland Unitary Plan by Transpower and Auckland Council.

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[49] Ministry for the Environment and Ministry for Business, Innovation and Employment, Evaluation of National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities, April 2019.

[50] Strengthening National Direction on Renewable Energy Generation and Electricity Transmission - Submission by Transpower New Zeal.pdf.

193. The option to amend NES-ENA also includes ensuring compliance with the New Zealand Electrical Code of Practice for Electrical Safe Distances 34:2001 (NZECP:34)[51]. The intent of this proposal is to link protection from electrical safety hazards to planning instruments to ensure development appropriately accommodates risks.

194. Collectively, these policies provide a comprehensive supporting framework for the protection of EN, by actively requiring decision-makers to protect the EN by restricting development that compromises the function and operation of the EN. This enables the maximising of the previous investment into the EN to occur and essential health and safety matters to be recognised appropriately.

195. **Appendix D** provides diagrams showing set back distances required from transmission infrastructure.

How do the options compare to the status quo/counterfactual?

	Option 1 – Status Quo	Option 2 – Establish rules for the National Grid in NES-ENA
Effectiveness	0	++ Stronger NPS direction will ensure more safe, secure and efficient transmission and distribution, protected from third party effects such as nearby residential development. The use of rules in NES-ETA to avoid third party effects will use activity status rules to prevent sensitive activities from locating beneath or near electrical lines, is the most effective approach.
Efficiency	0	++ Broadening the scope of NPS-ET Policy 11 to capture sub-transmission and distribution assets improves the efficiency of the tool because the third-party effect provisions can apply not only to transmission assets but to more infrastructure. Less bespoke planning and policy needs to be developed at the local level for sub-transmission and distribution. More efficient for Transpower's operations if they have a clear National Grid Corridor, absent of any sensitive buildings, which may preclude access or upgrading for instance.
System alignment	0	+ These protections align well with policy work to develop a NPS for Infrastructure (and future infrastructure standards). The development of new rules to control for adverse effects from third parties can carry over to new resource management legislation well, but there could be conflict with the

[51] NZECP34 is a New Zealand Standard which compliance is required under the Electricity Act 1992. This Standard sets minimum safe distances for overhead electric line installations and other works associated with the supply of electricity to end users. They intend to protect people, property and vehicles from harm or damage from electrical hazards.

		Government's desire to premise planning law off private property rights.
Implementation complexity	0	++ Some councils have already incorporated Policy 11 into their district plans, but this inconsistent. National rules will reduce the variation observed. Inclusion of National Grid Yard and Subdivision Corridor rules in NES-ETA is less burdensome on councils as these can be directly incorporated into plans. NZECP 34 is already established practice and would be reinforced by incorporation into NPS.
Te Tiriti o Waitangi outcomes	0	+ Corridor and Yard rules will protect marae and other cultural facilities (which has been recognised as sensitive activities) from electrical risks associated with the network. However, this may restrict the rights of Māori to build on their land where there may be an existing electrical line.
Overall assessment	0	++

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

196. **Option Two** is likely to best address the problem, as it would improve consistency across the planning system, as well as clarity and certainty that could in turn reduce the time and costs associated with planning and consenting processes and reduce the risk of litigation.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Learning the new policies and rules.	Medium (one-off) • Transpower told officials it spent $14M so far implementing Policy 11 of NPS-ET alone. • Members of the sector have spent significant FTE on engagement during the development of these proposals.	Medium • Figures for sector wide impacts are unattainable however, discussions with stakeholders are indicative of likely scale.
Additional benefits	Directly reduce consenting costs. Improve regulatory certainty and predictability of outcomes. Accelerate the consenting process.	Medium (ongoing) • Research commissioned by Te Waihanga estimated that direct consenting costs for energy infrastructure equal to around 2.6% of the total energy infrastructure spend. We would expect this value to drop with the changes. • Improved regulatory certainty would reduce the risk profiles of investments, making them more profitable. • Less time spent waiting for consents would provide further monetary benefits.	Medium • Te Waihanga estimates provide an indication of scale. • It is difficult to quantify the scale of benefits resulting from increases in regulatory certainty beyond the direction of the impact.
Expected net impact	Positive Net benefit Overall, we expect the changes will have significant long-term benefits for the sector with the benefits gained from a streamlined and efficient consenting process outweighing upfront costs of a new regime.	High benefit (over medium – long term) • Upfront costs of learning the policies and rules will eventually be outweighed by the ongoing benefits of a more efficient system.	High • These changes are being advocated for by the electricity sector and CPOs. We expect these businesses to prioritise changes that align overall with their financial interests.

Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Local communities are more likely to experience losses to local amenity values. These proposals enable ET and ED activities to disregard the adverse effects imposed on amenity, particularly visual amenity, by new infrastructure. This can have implications on recreation, open space and tourism.	Low • This must be evaluated through submissions in public consultation.	Low • This must be evaluated through submissions in public consultation.
Additional benefits	Better access to EN and more reliable networks to provide electricity to communities Reduced risk of exposure to electrical hazards from strengthened EN protection	Low	Low
Expected net impact	Undetermined It will be subjective for different individuals as to whether the benefits of lower electricity prices will outweigh the loss of amenity value. Consultation may provide more information here.	Low	Low

Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	We do not anticipate increased costs on electricity consumers.	Low	Low
Additional benefits	Reductions in wholesale electricity costs derived from more renewable energy plants being built 6 months earlier compared with the CCC's demonstration path. Recent reports have estimated that the levelised cost of energy (LCOE, the average wholesale electricity price required over a plant's	Very high • Assuming a competitive retail electricity market, retail prices should reflect the underlying costs, so reductions in wholesale	Medium • Estimates on electricity demand and wholesale electricity prices come from the CCC modelling for their ERP advice.

	lifetime for the investment to break even) has been decreasing significantly for renewable energy, with wind and solar decreasing by around 50%-65% over the 2013-2020 period.52, 53 Therefore, greater amounts of low emission generation from renewable sources will reduce the overall costs passed on to consumers.	electricity prices should flow-on to reductions in retail electricity prices. • Building renewable energy plants 6 months earlier than the CCC's demonstration pathway is estimated to reduce future wholesale electricity costs resulting in PV savings of $4,858m across the 2023-2035 period, based on expected demand. • According to the Electricity Authority, generation makes up 32% of the average electricity bill for residential consumers, with distribution and transmission making up another 27% and 10.5% respectively.	
Expected net impact	Relative to the status quo we do not expect any costs to electricity consumers and therefore overall, we expect considerable net benefits for consumers.	Very high	Medium
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Transitional costs for central government to develop the national direction instruments and support implementation (ie, preparing non-statutory guidance).	Medium • The total costs for national direction process can be as high as ~$6M (based on NPS-UD), which includes estimates of government staff time.	High • This type of change is not novel, previous amendments give a good indication on the scale.
Additional benefits	Ongoing reduction in future emissions abatement to meet ERP targets (Treasury shadow emissions values – central price path).	High • Renewable energy plants built 6 months earlier reduces estimated shadow emissions values by $193 m compared with the demonstration pathway. *Values are PV estimates for the 2023-2035 period. Estimates are based on decreasing the time to build new renewable generation plants compared with the CCC's demonstration path.	Medium • Estimates are based on Treasury shadow emissions prices and Climate Change Commissions modelling for its ERP advice
Expected net impact	Positive Net Benefit Overall, we expect this to result in significant benefits for Central Government. The value of the carbon emissions saved relative to the status quo will considerably outweigh the upfront costs of setting up the new regime.	High • The benefit of the carbon emissions saved outweigh the upfront costs of setting up the new regime.	High • Given the different scale of the expected costs and benefits we have a high degree of certainty the benefits to Central Government will outweigh the costs.
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Transactional costs to become familiar with new policy requirements and incorporate them into council plans.	Medium • The estimated cost to implement NPS-UD and the MDRS by territorial authorities was $5.68M, however, this is considered a	High • Analysis of costs was undertaken by NZIER.i

52 Transpower, Electrification Roadmap, 2021

53 The future is electric: A Decarbonisation Roadmap for New Zealand's Electricity Sector. Boston Consulting Group, October 2022.

	NPS and NES provisions must be directly inserted into policy statements and plans without a full plan-making process, which can reduce costs for some councils significantly where there is little conflict in their plans. Resource consents are generally cost recoverable so do not impose costs to councils.	significant underrepresentation in some areas.	
Additional benefits	The options aim to make the consenting process quicker and provide more clarity around the consenting process. This is expected to reduce the overall complexity and burden for local government regulators. More consistent plans will also reduce training costs and barriers to staff moving between entities.	Low/medium • Recurring savings from more consistent and streamlined consenting process.	Low We do not have data to confirm this, we hope to learn more from consultation.
Expected net impact	Positive Net Benefit Initially the upfront transaction costs of implementing plan changes will be relatively significant however over the long term we expect that more consistent and streamlined consenting process will balance this out.		
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Additional recurring time costs associated with engaging with EN projects. One off cost associated with submitting on changes.	Low • The costs are no greater than without national direction. Perhaps it would likely be more so.	Low • We expect the upcoming consultation to provide better certainty regarding the scale of the impact.
Additional benefits	Improved consideration of Iwi/Māori interests.	To be determined • We expect the upcoming consultation to provide better evidence regarding the scale of the impact.	Low • We expect the upcoming consultation to provide better certainty regarding the scale of the impact.
Expected net impact	Positive Net Benefit Overall, we expect the changes will benefit Iwi/Māori. Additional consideration for Iwi/Māori interests should mean that they see improved outcomes for the same level of resources put into engagement. While there may be additional costs in cases where more engagement is required, we expect the benefits to outweigh this.	To be determined • We expect the upcoming consultation to provide better evidence regarding the scale of the impact.	Low We expect the upcoming consultation to provide better certainty regarding the scale of the impact.
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Some ET projects may seek to locate in significant environments with effects that are likely to be more than minor. Cumulative effects on the environment resulting from multiple EN projects being consented. The specific effects would be assessed and managed on a case-by-case basis based on the consent authority's assessment of the policy direction and the remaining adverse effects and benefits of the specific ET project for which consent approval is sought.	Medium to High • These are enabling policies and will increase the presence of EN infrastructure in the natural environment. Officials have been unable to quantify this scale.	Medium • MfE have undertaken a high-level assessment of environmental effects and engaged with DoC to support analysis.
Additional benefits	Streamlining the consenting process for new renewable energy plants is expected to reduce total carbon emissions produced from electricity generation over time.	High • Modelling estimates a reduction of 1.98 MtCO2e in total emissions produced over the 2023-2035 period under the scenario where new renewable energy plants are built 6 months earlier compared with the demonstration path.	Medium • Modelling has been undertaken by the Climate Change Commission in respect of emissions reductions from renewable electricity generated over time. Indirect impacts have been extrapolated to apply to transmission.
Expected net impact	Undetermined	High	Medium

	It is very difficult to distinguish overall environmental impact as the overall costs will be highly dependent on the nature of each specific project and its adverse effects. It also will require trading off different unrelated factors such as impacts on biodiversity compared to reduction in emissions.	• The impacts of the change will have significant costs and benefits on the environment.	• Costs and benefits are relatively clear given the assessments taken by MfE, DoC and the Climate Change Commission.

Section 3: Delivering an option

How will the proposal be implemented?

This RIS informs Cabinet decisions on options that will be included in a discussion document for statutory public consultation

197. Cabinet is scheduled to consider all national direction proposals in May 2025. The analysis in this RIS will inform these Cabinet decisions.

198. Following Cabinet approval, a discussion document will be released for public consultation. Upon receiving public feedback, the proposals in this RIS will be refined for policy decisions by Ministers. Implementation will then follow.

NPS implementation into RMA plans

199. Schedule 1 of the RMA sets out the requirements for territorial authorities to implement national policy statements by giving effect to the policies in plans using a specific plan change process that involves community consultation, hearings and rights of appeal.

200. Plan change processes can sometimes take several years to complete. There are 76 territorial authorities in New Zealand. How each gives effect to national direction policy can vary significantly, creating uncertainties for EN operators and increased risk of litigation on whether a proposed or operative plan gives sufficient effect to the policies in question.

1. If the NPS-EN is silent on the matter of implementation, Schedule 1 applies. This means that each regional and territorial authority must go through a plan change process to amend its plan to give effect to this NPS-EN. Plan changes would likely require expert evidence from various sources, many of whom may be required to testify in multiple plan changes on same or similar issues. Each territorial authority would develop their own policy wording for consultation with their community.

201. However, consent decisions must still be consistent with NPS-EN from date of gazetting. A Schedule 1 process regularly takes more than two years to complete, as there are multiple rounds of consultation and an opportunity for parties to challenge decisions. This would create uncertainty for both community and developers, as the final outcome of a Schedule 1 plan change process may not be known for some time.

202. Until councils amend their plans to reflect the updated NPS-EN, there is also a broader risk that EN projects defined as non-complying will not be able to be consented in some parts of New Zealand. This is because under s 104(d) of the Act, such projects cannot be consented if they have more than minor adverse effects and are contrary to the objectives and policies of the operative Regional or District Plan.

203. This implementation option would allow councils to interpret the NPS-EN policies in a way that fits with their unique plan, and to do this in consultation with iwi/Māori and the public.

NES Implementation into RMA plans

204. The proposed amendments to NES-ETA will take immediate effect from commencement date (expected in 2026). As set out in section 44A of the RMA which sets out recognition of NESs, local authorities must observe and enforce NES (sections 44A(7) and (8)) and plans must be amended where they conflict with or duplicate the NES, without using the Schedule 1 process, either within a timeframe specified in the NES or as soon as practicable (but NES prevails until this is done).

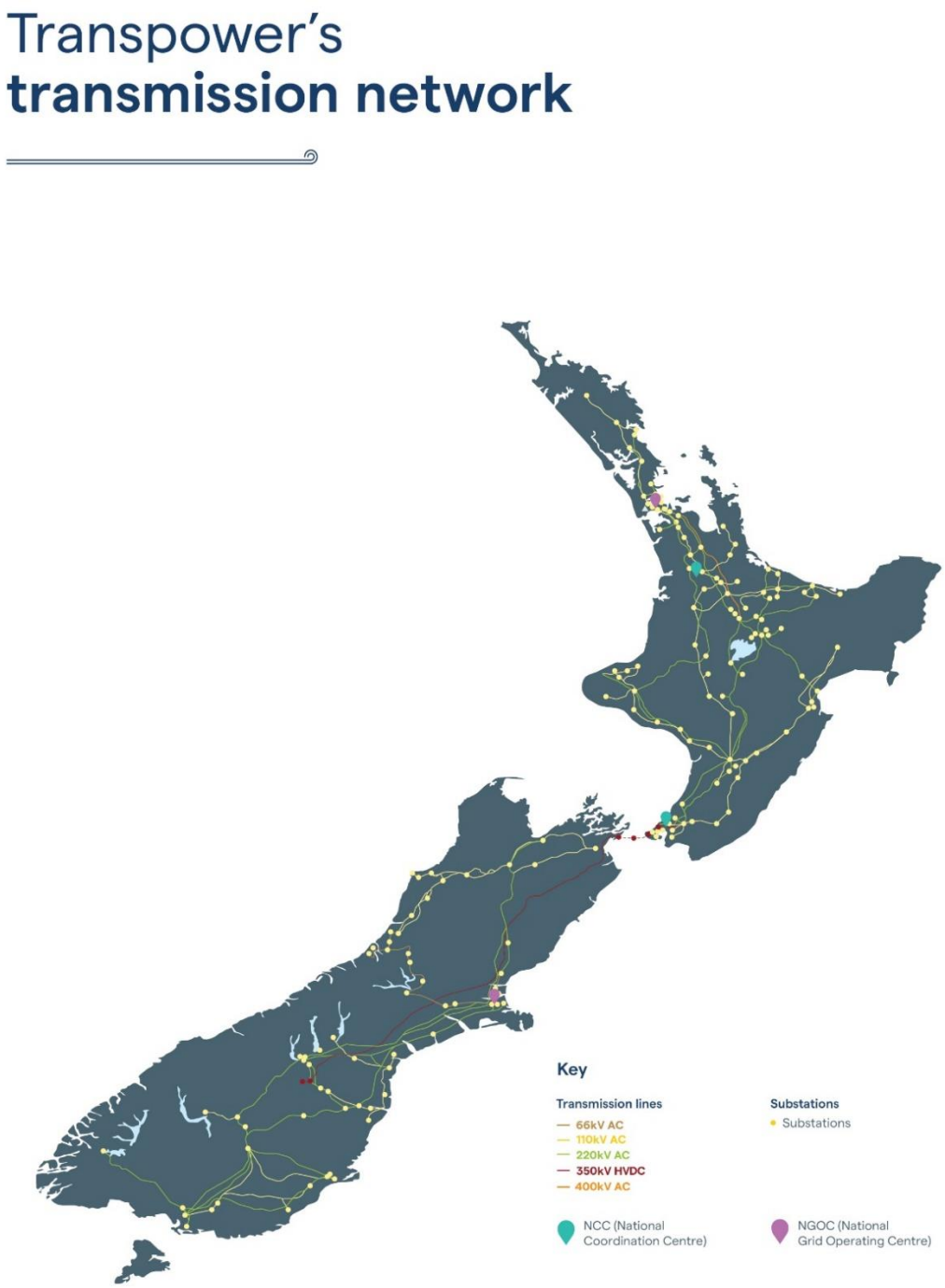
205. This means that Councils will have to amend district plans if a rule duplicates or conflicts with a provision in the NES. Such a plan change will have immediate effect and will not undergo a public notification and hearing process and cannot be appealed.

How will the new arrangements be monitored, evaluated, and reviewed?

206. As a resource management tool, the proposed new national direction and amendments will be administered by MfE. MfE is responsible for monitoring and supporting the implementation and reviewing the effectiveness of the changes, and national direction generally, under the RMA.

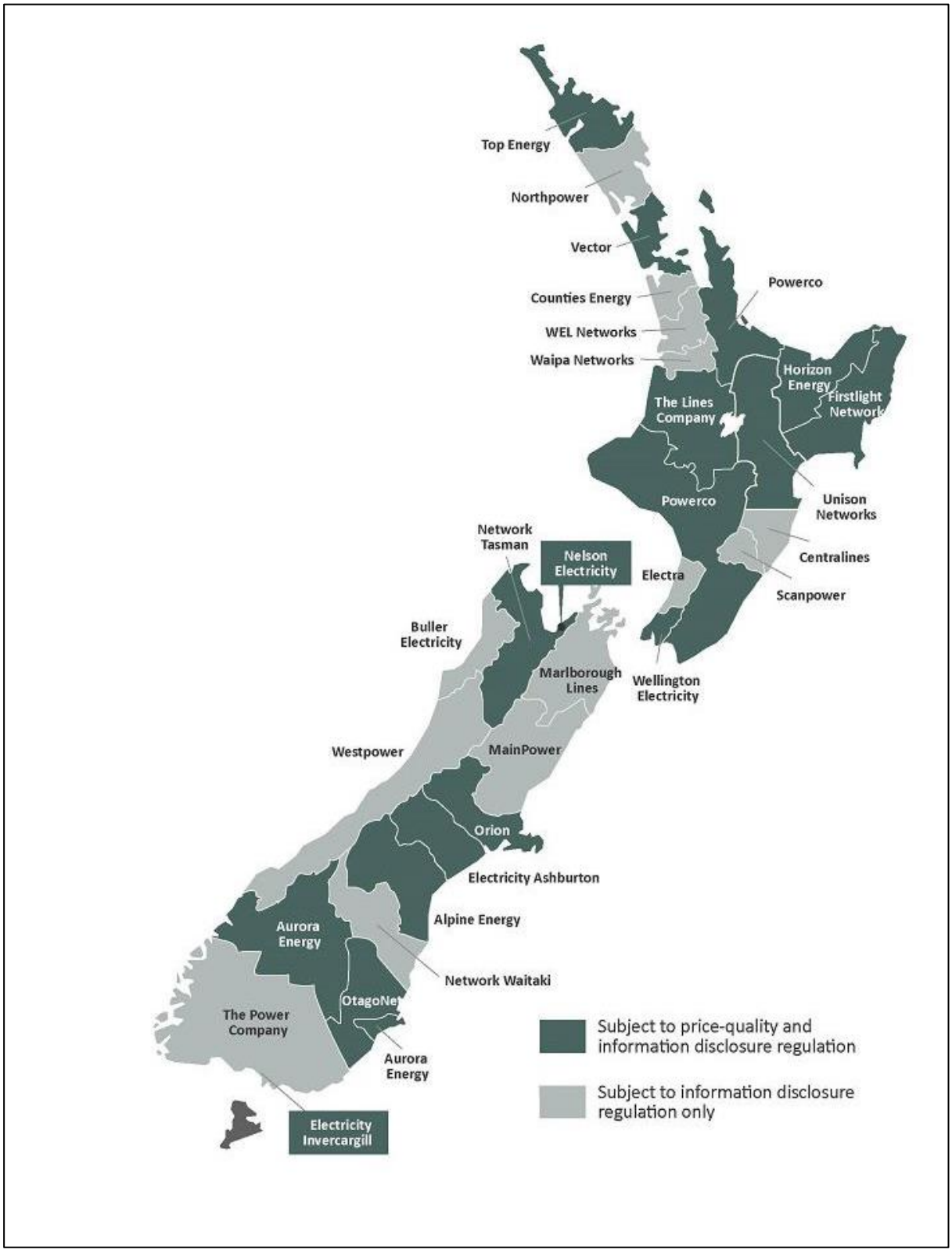
207. Where consents are issued because of these changes, the RMA requires monitoring of those consents by local authorities. In terms of compliance and enforcement, data on implementation and operational issues, including enforcement, is already collected at a local level by council compliance teams and at a national level by MfE through its national monitoring system for consents. The NES-ENA regulations will establish activity rules that are intended to provide greater consistency and reduce consenting costs and numbers. A key example is National Grid Corridor rules. After the NES is in force the number of EN routine activities requiring consent should drop.

Appendix A - Map of the National Grid in New Zealand



Source: Transpower

Map of Electricity Distribution Business districts



Source: [Commerce Commission - Electricity distributor map]

Appendix B - Evidence of the problem

This Appendix includes a summary of evidence:

- Summary of relevant publications and case law
- Case studies demonstrating resource management challenges
- Case studies of transmission route constraints mapping.

Officials have sourced evidence for the problem from the following:

- Case law
- Government, industry and sector reports on decarbonisation pathways and requirements for electrification of the economy
- Information provided by the electricity network sector during engagements on resource management reform and national direction over the past three years.
- Submissions in response to the *Strengthening national direction on renewable electricity generation and electricity transmission* consultation in 2023
- Engagements in 2024 with Transpower, local government practitioners, New Zealand Planning Institute, Local Government Practitioners Group, Resource Management Law Association, Environmental Defence Society and the Resource Management Reform Group to test our understanding of the problem, and options for solutions.

The following table below provides a detailed synthesis of the source evidence in relation to the problem.

Key evidence summary		
Source		**Evidence of problem**
Electricity demand is expected to grow		
1.	Electricity Demand and Generation Scenarios: Results summary. Ministry for Business, Innovation and Employment, July 2024.	MBIE forecasts suggest total electricity demand could grow between 35.3 per cent and 82.0 per cent by 2050, reaching 62.1 TWh (terawatt hours) in their reference scenario. By 2050, half of all energy demand will be met by electricity in the scenarios modelled by MBIE.
2.	NZ Energy Scenarios TIMES-NZ, Energy Efficiency & Conservation Authority. 2021	Energy Efficiency & Conservation Authority 2021 TIMES-NZ 2.0 modelling suggests strong growth in the demand for electricity, with electrification (the percentage of the country's energy provided by electricity) reaching between 54 - 59% by 2050.
More transmission infrastructure is needed to meet that demand		
3.	Transmission Planning Report. Transpower 2023.	Transpower's Transmission Planning Report describes proposed investment needs and transmission capability over the next 15 years.
4.	Strengthening National Direction on Renewable Energy Generation and Electricity Transmission: Submission by Transpower New Zealand Limited (1 June 2023)	Transpower's submission explains how the increase in renewable electricity generation requires corresponding growth in transmission infrastructure.
5.	New Connection Enquiries. Transpower. [Retrieved 24 February 2025].	Transpower continues to experience a high volume of enquiries to connect to the National Grid.
6.	Net Zero Grid Pathways proposal – final decision, 28 February, 2024, Commerce Commission.	Commerce Commission recently gave Transpower approval for an increased level of investment to support electrification and connect renewables.
7.	Electricity Networks Aotearoa Briefing to Incoming Energy Minister, November 2023. p. 9	Electricity Networks Aotearoa (ENA) advised the Minister of Energy that the distribution sector is facing significant challenges to providing new connections (for instance, to provide customers connections for industrial process heat, EV charging point connections and new urban development etc). ENA has witnessed a 'step change' in the volume of connection inquiries.
Current settings do not sufficiently facilitate development of transmission infrastructure		
8.	New Zealand High Court (2021), *Tauranga Environmental Protection Society Incorporated v Tauranga City Council* *Shows how **NZCPS** policies to avoid effects on ONLs prevented an upgrade required to ensure ongoing reliability of electricity supply.*	The proposal sought to co-locate Line A with Line B in an existing utility corridor to minimise adverse effects on amenity and the quality of the environment. The project was approved by the Environment Court, but this was overturned by the High Court, because it would have adverse effects on outstanding natural features and landscapes and the default position was that this should be avoided. In addition, iwi considered the project would have adverse cultural effects. In reaching its ruling, the High Court found that "an option was 'possible' where it was *"technically feasible … whatever the cost"* and that avoidance of adverse cultural effects in this case were, in fact, 'possible'. The case particularly highlights the constraining impact of the words "**where possible**" (compared to the more enabling "**where practicable**"). Transpower surrendered its consents as avoidance was considered impossible due to the non-negotiable need for the project to cross the harbour which is broadly categorised as an ONL.
10.	Future Queenstown Line *The approach to managing the effects of the National Grid in the NPS-ET may be incomplete, because it does not have a specific express policy direction for every potential resource that is subject to an "avoid" direction in Part 2 or an NPS, despite the intent of the NPS-ET (at least in 2008).*	Transpower achieved a policy framework, by court order, which establishes a consenting pathway (including an effects hierarchy) for the operation, maintenance, upgrade and development of the National Grid in the partially operative Otago Regional Policy Statement (RPS) 2019. Transpower then sought that the policy was further given effect to in the proposed Queenstown-Lakes District Plan. To get the court order, it was lengthy and costly for Transpower. In the proposed Queenstown-Lakes District Plan, the Environment Court confirmed the pathway to be appropriate and to achieve Part 2 of the RMA (and to give effect to the 2019 Otago RPS). However, as ORC notified its proposed RPS in June 2021, it backtracked and did not contain the enabling policy, relying on the Supreme Court's *Port Otago* decision. *"In the absence of express statutory prioritisation of enabling provisions ahead of protection provisions[,] so-called 'bespoke' priority provision for REG or electricity transmission infrastructure, or for any other activities, similarly is not appropriate."*
11.	Hairini Realignment Project *High Court found that an option was "possible" where it was "technically feasible …whatever the cost" and that avoidance of adverse effects was "possible" in this case.*[1]	Transpower sought to realign part of its Hairini to Mount Maunganui 110kV transmission line by removing the line off Te Ariki Park (a site of significance to Māori) and into a road corridor (and onto an existing line in places). A structure was also proposed to be removed from the harbour. Tauranga Environmental Project Society Inc and Maungatapu Marae Trustees opposed the realignment as it would traverse an ONL (the harbour) and a structure would be located in front of the Maungatapu Marae. Because the harbour is an ONL, the RMA requires its preservation must be recognised and provided for by decision makers. The High Court prevented Transpower from undertaking the works due to the effects on the ONL, which has cultural significance and was protected by strong avoidance policies in the NZCPS, and that avoidance of adverse effects was possible. However, Transpower considered avoidance was impossible due for the need for the line to cross the harbour.

Appendix C – Policy assumptions and limitations

Assumptions

The coalition agreements seek to reduce regulatory barriers under the RMA by enabling more electricity transmission and distribution activities and to achieve the Electrify NZ objective to double renewable electricity generation by 2050.

There are also drivers beyond the scope of the resource management reforms such as the:

a. amount and location of demand for electricity

b. level of electricity network investment agreed by the Commerce Commission

c. amount and location of investment in new renewable generation

d. development constraints, including funding, supply chain issues and workforce capabilities.

The Government has agreed the policy package will include enabling national direction for transmission, but because transmission follows generation in the electricity system, this package will be unlikely to incentivise rapid uptake of low-emissions alternative sources (ie, solar panels on household dwellings) nor will it make renewable generation development easier or faster. However, the Government is also preparing a new NPS for Renewable Electricity Generation, which will align with the intent of this amending the NPS-ET.

Transpower said in its 2023 submission that there is no evidence NPS-ET has aided in reducing any greater the number of resource consents issued for transmission infrastructure nor has it improved the pace of consenting. In 2019, MBIE and MfE carried out evaluation of the NPS-ET/NES-ETA with extensive input by Transpower at the time, and considered that while the NPS-ET plays a less significant role in managing the existing ET network, it helped establish new transmission infrastructure, and NES-ETA was found to help manage adverse effects, an improvement in comparison to before the NPS-ET was in effect.

Similarly, there is limited evidence on the cumulative impacts of more extensive transmission and distribution networks on the natural environment that might occur because of amending the NPS-ET, NPS-FM, NPS-IB and the NZCPS, to meet the government's objectives, in conjunction with other amendments to the resource management system.

The issues and options in this document have been informed by a review of selected reports and discussion papers, detailed case studies supplied by Transpower, relevant case law, a review of existing district plan provisions and informal discussions with MBIE and the Department of Conservation, Transpower, some selected EDBs, Electricity Networks Association members, LG Practitioners Group and some iwi/Māori engagement.

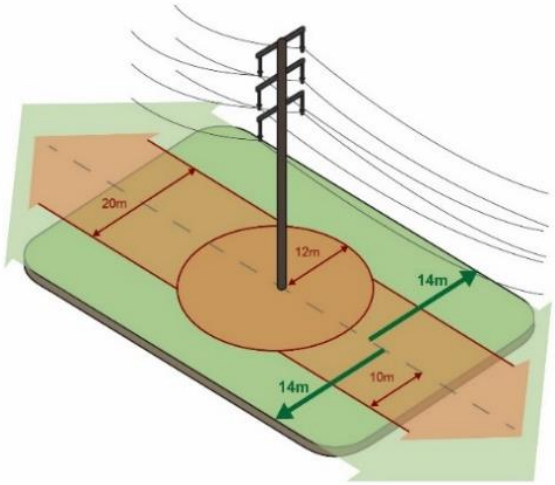
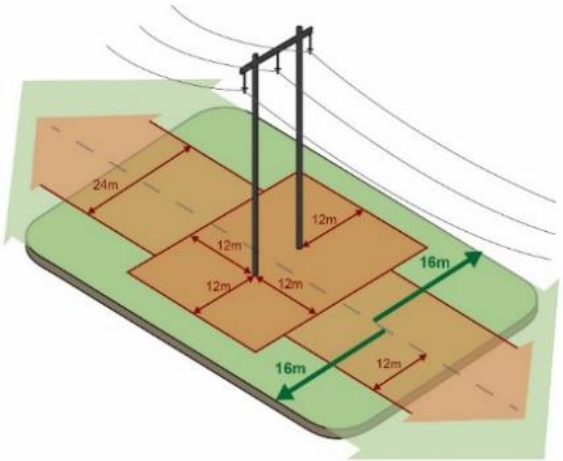
Transpower has not developed a significant new transmission line since the Whakamaru North – Brownhill Road grid line from Taupo to Auckland, commissioned in 2012 (after a Ministerial call-in under Part 6AA of the RMA and a hearing before a Board of Inquiry in 2007-2008), so there is limited recent evidence on the assessment of new build transmission projects.

We have limited evidence to support the inclusion of distribution activities in this proposal, beyond discussions with local government practitioners, the sector and the Boston Consulting Group report assessment of the investment required in distribution to support electrification.

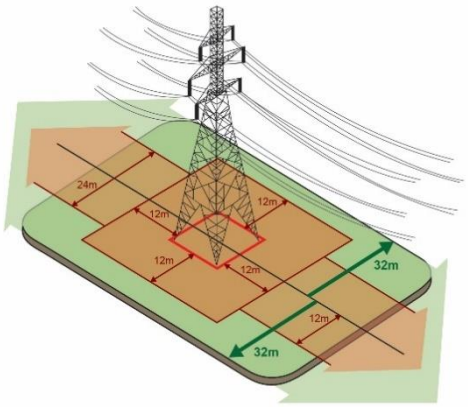
Appendix D – National Grid corridor

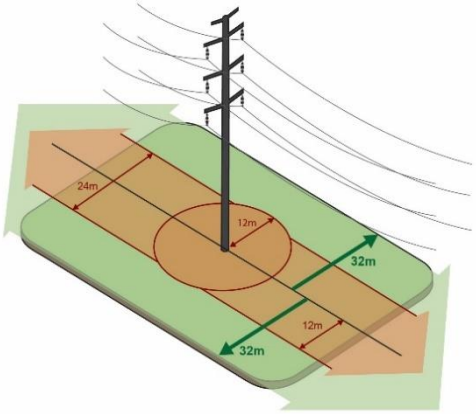
Legend

National Grid Yard	
National Grid Subdivision Corridor	

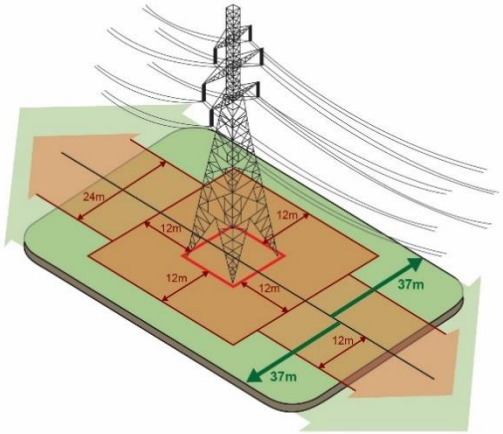
66kV and 110kV transmission lines on single poles

66 kV and 110 kV transmission lines on pi poles


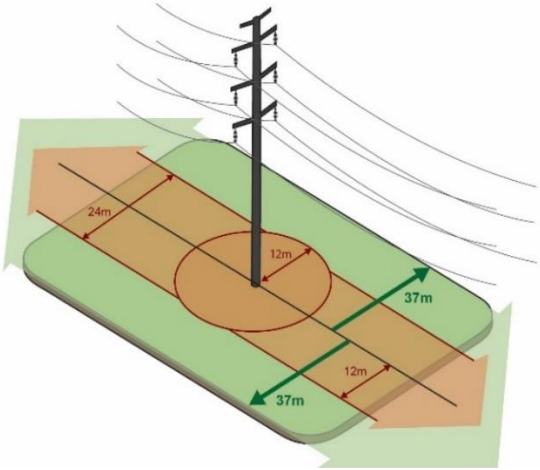
66kV and 110kV transmission lines on steel lattice towers and steel monopoles





220 kV transmission lines on steel lattice towers and steel monopoles





350 kV transmission lines