

19-D-02163

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 24 September 2019 requesting the following under the Official Information Act 1982 (the Act):

Please provide the Waiau Rivercare Group Inc with all documents, including

- *briefing notes to Ministers*
- *records of conversations*
- *meeting dates*
- *agendas and minutes from all meetings*

between the Ministry and Meridian Energy Ltd, over the "consultation" period, November 2018 to February 2019. Electronic provision is our preferred method of receipt.

The Ministry for the Environment has identified six documents in scope of your request, as listed in the attached table. One piece of information within these documents has been withheld under the following section of the Act:

9(2)(a) protect the privacy of natural persons, including that of deceased natural persons

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: www.ombudsman.parliament.nz.

Please note that the meeting notes that we have provided are not official minutes. They are the notes of an analyst from the Ministry for the Environment who was transcribing important details spoken at the meetings. They do not necessarily constitute the views of the Ministry for the Environment.

We also note that there was no agenda for the February meeting on the National Policy Statement for Renewable Electricity Generation.

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our website on our [OIA responses page](#) shortly after the response has been sent.

If you have any queries about this, please feel free to contact our Executive Relations team.

Yours sincerely



Katherine Meerman
Director, Water

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the Official Information Act 1982

List of documents

Document no.	Document date	Content	Decisions	OIA sections applied
1	14 December 2018	Aide Memoire: Meeting with Meridian Energy Limited	Release in part	s9(2)a
2	26 November 2018	Meeting notes from meeting with generators concerning the NPS-FM	Release in full	N/A
3	17 December 2018	Meeting notes from meeting with generators concerning the NPS-FM	Release in full	N/A
4	23 January 2019	Meeting notes from meeting with generators concerning the NPS-FM	Release in full	N/A
5	15 February 2019	Meeting notes from meeting with generators concerning the NPS-REG	Release in full	N/A
6	Various	Meeting Agendas for November, December and January meetings	Release in full	N/A

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26 November 2018 – Meeting with Generators

Meridian Energy – Two hydrostations, eight wind farms. Hydro – the Waitaki and the Manapouri.

Contact Energy – 100% privately owned, 23-25% of NZ's electricity. Journey from gas to renewables. Closing down gas fired generation. Air emissions were fine from significant gas generation. Closures in Auckland and New Plymouth. Big Fonterra operation in the Waikato. Three jet engines running on diesel, as a peaking station. Three major assets – Clutha Hydro Scheme (no real storage, essentially run of the river), issues with fish passage (especially around the Roxburgh dam). Clyde dam was a folly initially (bad planning). Geothermal Power Stations around Taupo (five sites with seven units - 400MW of baseload (baseload it does not matter what the weather is, it is always there)). The Wairapo Power Station was built in 1956. 17cumecs of hot water going into a 50cumec (at times) river. This water contains heavy metals. In 2026, the Wairake power station will be re-consented. What is the future beyond 2026? **Question: should this be encouraged? Is this a good kind of renewable, Will national bottom lines be affected?** Taranaki gas power station. They are looking to consent a new geothermal power station.

Genesis – Huntly gas and coal power station (a strategic asset for the whole country – prefer use of gas – 40cumecs of the Waikato River used for cooling – also hot water deposited back into the river), Waikaremoana hydro (run of river scheme – little storage, three stations), Tongariro hydro scheme (limited storage capacity, water diverted from three separate catchments, the consent was renewed in 2004, flushing flows, recreational flows and minimum flows were included (which were modelled around Whio habitat)), some wind, and Tekapo A & B (2 power stations – the consents are due to expire soon in 2025) No minimum flow in the Tekapo River.

Mercury (?) – Waikato hydro scheme (8 dams, including Karapiro, and 9 power stations, minimal storage, mostly run of river scheme – 1058 megawatts, 500 million being spent over ten years to replace the generators. Some issues with fish passage

Trustpower – 38 hydro stations, lots of small assets around the country. A collection of antique machinery. One small diesel peaker, but mostly renewable. No consumption, mainly run of river, occasionally miner's races schemes. Monitoring of water flows costs millions, for both compliance and efficiency. They do not have a great database on water quality. They have sediment issues but don't have great data on it. Therefore they will have difficulty with a new sediment attribute and associated monitoring data. Basically perpetually re-consenting consents all around the country.

Exceptions

Future hydro generation? Easier to consent a thermal plant than a hydro scheme? Protecting existing assets vs new assets.

2011 have signalled that they will never try to build a hydro station on the Clutha. Unconsentable, cost,

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2014 conversations – Robert Scholdfield – National Policy Statement address the problems for significant infrastructure.

Find all the documents from 2014 – J.O.

Frustration about Ca3 because it presumed that you had to have a reduction in the national bottom line to enable the infrastructure. Do you really need to have a national bottom line? Could you accept the existence of the operation of the infrastructure whether or not the bottom line was breached? There ARE circumstances around the country where the bottom lines on the Waikato River are not necessarily breached but there are a number of challenges. Trying to deal with the land use impacts on that river.

How can the Government assist its power industry to continue its important operations and still deal with water quality?

Would prefer strong national direction in this area, all the regional councils have their own political influences, there is no one there to look at this from the national perspective. It is important to broaden their thinking.

Perhaps, the NPSREG could serve their purposes? It is currently being interpreted differently in different regions.

Option E – Central Government direction through listing and then no council discretion at all. Reworking the impact of policy CA3. Could be a reworked NPS REG. Direction to provide for and prioritise for it.

Problem Statement should be more of an opportunity. It has modified the environment in ways that we have provided for. Should be a more positive problem statement. National direction about things that have modified environments. Remove discretion from the Regional Council.

Detractors have taken an aversion to the electricity sector being provided with a free pass. Equally importantly, are the iwi relationships. And remember that we have NPS vision and strategy. River iwi are not in favour of exceptions. We need the officials around the room to help us through that.

MBIE – with regards to new projects, you never know what you're up for with a constantly evolving NPS-FM. This raises a whole lot of uncertainties.

Existing, new and enhancements. Waitaki Catchment, we face reconsenting issues. The best case is what we've currently got, and we might head backwards. They face the prospect of going backwards. The highest thing on risk register is Government policy change. Some assets may be decommissioned.

Hydro are neither consumers or polluters, do not feel like they should be blamed for water quality issues.

Two more options, existing generation, ability to enhance, planning framework is not just consenting and reconsenting, there is a huge effort that must go into the community dialogue and the license to operate. It is also the plan change process and the shifts that come out of this. National policy direction in the NPSs.

Water quality vs allocation, Rangitikei they just permitted all the illegal takes.

NPS REG issue

Consider other kinds of renewables. Huntly Power Scheme.

Section 6 to Section 7. RMA. Generators would support that change. Joined up thinking around national direction.

Southland District Council did not want to be in the position of making national decisions.

Action Points:

FLAWS

Most catchments have flows set within a regional plan. A habitat curve approach – how do national values fit in here?

A preference from generators for this to be a guidance document as opposed to a new attribute in the NOF.

HEAVY METALS

Copper and Zinc. Heavy metals are not a particularly useful grouping. These are largely urban contaminants. Should we procure acute thresholds from NIWA? Very few plans set objectives and limits for copper, though some do. In general councils are not able to manage cumulative effects. Local Government is powerless to do anything with a few major sources, i.e. motorvehicle and building sources. We would like to focus on options that address the key sources.

Not particularly relevant to the industry. Though not a particularly RMA-able issue. Europe and US have some phase outs. Europe is already there.

WETLANDS

Definition of wetlands? Environmental reporting has been associated with palustrine wetlands, not marine wetlands.

Is it over for clearing and destroying wetlands? Yep – moratoria.

Package – how will wetlands policies trickle out of indigenous biodiversity or wetlands, it comes out of both. And directive policies on how this might look for no loss. And rules for activities on the NES.

Would a policy tool be an instruction to Councils to map wetlands? Or would we do it nationally? It may have to be a national tool. Would it be amenable to satellite photography? We would need to assess the technology before committing to anything. No degradation or reduction.

Setbacks are also being considered. Could we come up with a nationally applicable setback? It might depend on the activity. Where exactly would these setbacks be from? Hydropeople already have buildings set back from inundation zones.

Wetland condition index – associated with a lot of consents around the country.

Attributes table – appendix 2? Will address this with the STAG.

Hard to do because by their nature they are rare and different. Different wetland types and different pressures. It would make sense to save them first.

Minimal monitoring of wetlands from Trustpower.

DISSOLVED OXYGEN

Difficulty with monitoring, which then affects how we can treat it.

How does current consent monitoring deal with dissolved oxygen?

Point source versus non-point source. One of the former objections was 'the cost' of doing continual monitoring, the cost to Councils of having to monitor it. Has there been any further dialogue with councils about this issue. There is some consent monitoring below a dam as part of a consent condition. Different turbines might have different effects on dissolved oxygen.

Spot vs continuous? As a scientist, continuous is preferred, but pragmatism around cost is also an important thing to consider.

Most feedback has been aimed at the river attributes and less so at the lake attributes.

DIRECTION ON HOW TO SET LIMITS

More direction in the NPSFM about what a limit is and how to set one. A limit can be quantity but can also be on land-use activities that affect water quality. Perhaps introduce an element of spatial planning.

For N, you can divvy it up at a farm level, but for E Coli, this is not possible. You have to do it on a catchment wide basis.

We have been nitrogen centric or myopic and may have not done a great job at emphasising ecosystem health. But we can't lose sight of the fact that we need to continue to monitor and set limits for nitrogen.

This might increase the legal contestability of plans and consent reviews. We want to ensure that, even though they will still get to court, there is a clear and defensible legal framework.

NES = hard and fast national rules

NPS = provides flexibility for regional councils.

RMA is all about effects based.

Hydrogenerators cannot wait for more meaningful management of what they chuck in our river!
They do not want to be the collateral and have to deal with the problems of others.

ECOSYSTEM HEALTH

Better manage all aspects of ecosystem health. NPSFM currently only does quality and quantity.

Aquatic life and biodiversity, physical process, water quantity, water quality, habitat. Letting regional councils doing this in an integrated way across catchments. Where else could it go if not appendix 2?

MCI is a good example. Action plan triggered when below 80, it is a performance measure.

Exceedance criteria – minimum flows triggering action.

Monitoring and reporting.

Could we provide better reporting for habitat and biodiversity.

Why is this happening? Ecosystem health is degrading. NOF attributes are great at cumulative effects, but are they good at managing all aspects of ecosystem health? MCI, for instance, was better outside of the NOF.

What tools do you have in mind? Other monitoring requirements.

All these things are logically important but are you driven, perhaps, more to the objective narrative end and not the numbers end. We have, very quickly, become sensitised to appendix 2. The Appendix 2 attributes have always been necessary to achieve ecosystem health but they are not sufficient.

How fundamental is this to our superiors? We have not briefed the Minister yet. Though the Minister recognises that the NPSFM does not do enough and we want it to be better.

None of the options are Appendix 2 options? Possibly, we want to ensure that we have the right vehicle for the right option. Flows, sediment, wetland-types are the only real solid Appendix 2 candidates.

What next?

Timeframes – consultation with draft NPS and NES as in April and May of next year. Final policies set in stone by the end of February.

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Ministry for the Environment notes from 17 December 2018 Meeting with Generators.

Agreed definition of significant infrastructure.

**What should the link through to the NPS REG look like?
Could it be within policy CA3 in replace of the text below?**

Points on contribution to existing water quality. How does this align with the new requirement in the suggested link through to the NPS REG?

Draft text – for discussion

If existing freshwater quality is already below a national bottom line for an attribute or attributes, and the regional council considers it appropriate, a regional council may set a freshwater objective below a national bottom line. They may only do this, for an attribute or attributes, if:

- a) the poor water quality is a result of naturally occurring processes; or
- b) any of the existing significant infrastructure (definition required) is a significant factor in the existing freshwater quality being below a national bottom line; and
 - a. the continued operation of the listed infrastructure is necessary to achieve the objectives of the NPS REG; and
 - b. the exception applies only to the parts of a water body where the (definition) contributes to the existing water quality.

Answer: A council would have to define its units quite carefully. Could be worth exploring more.

One generator wanted to hold onto what they already have in a hydro sense (not slip backwards but no plans for any real gains). No plans for any more hydro. Focus on geothermal and wind.

One generator was worried about consultation crunch. Further timeframes for the NPS REG required. Will it be six, twelve or 2020.

Causation and contribution

One Generator's preference is for there to be no contribution or causation requirement. Anything that does require that becomes problematic. We could live with causation being a prerequisite – because they have advice that their hydro schemes are a causation.

18/10/2019 – While this document was finalised. It does not reflect the current situation with respect to our understanding of the costs of the policies, or when any additional impact analysis will be procured. Futhermore, this is a summary only of these impacts and does not provide the level of detail necessary to fully understand them. For this kind of understanding, we recommend reading the regulatory impact analysis published alongside the *Action for Healthy Waterways* consultation document. You may find this on our website.

New vs Only Old

Accepted that getting a carte blanche for new infrastructure was not viable. Universal acceptance. Environmental cost where the benefits are not known. Does maintain mean maintain exactly? There would still be opportunities for enhancements. They require quite a significant reinvestment? Including the ability to enhance. If you can get greater output from a plant without having any adverse effects on water quality then this should be allowed. Difficult as an absolute test. The duty is to use the resources as efficiently as possible.

Causality Requirement

Resource intensive process. Reconsents will lose value.

One generator will have two places, that will not meet bottom lines. Policy CA3 does not deal with the allocation between uses. CA3 is much more about there are already multiple attributes and the achievement of a particular standard is a multi-factor question. This activity does not always trump other activities. CA3 is not get out of jail. Maintain existing levels of water quality that have been set through existing attempts.

Two elements to allocation: NPS-FM allows allocation? This comes back to the pre-amble. And perhaps also the cut-through.

What does the policy say about that? If there is a discretion, then there does not need to be a causative aspect. You had to currently prove causation – either in or out.

Appendix 3 is not going to work

List or not list. Why are we designing river attributes for hydro lakes?

FMUs are entire catchments in the Bay of Plenty.

Should the Council still have discretion?

How should the renewable NPS be reflected in the sub-NPS?

Council Discretion

Not workable to remove the Council's discretion. Therefore, better guidance and a clearer policy would be required. Regional Councils are not placing sufficient importance on the NPS REG. e.g. Blueskin.

Questions and papers on NPS REG being ignored or differently interpreted or applied.

Generators Meeting – 23 January 2019

Regional Council.

Must strive to meet national bottom lines.

While doing so, they must ensure that hydro inflows or hydro storage are not affected.

This means that other resource users would have to reduce their impacts on the catchments to compensate for the hydro schemes operating at full capacity.

Only if a Regional Council is unable to reach national bottom lines through restrictions on resource use (e.g. in a river that is dry 90% of the year due to the presence of hydro infrastructure) may they breach a national bottom line.

Note that an alternative for rivers such as these would be for a regional council to not treat them as fresh water.

If water quality is below existing national bottom lines, a regional council must bring water quality above national bottom lines, they must do this while ensuring sufficient water supply for hydroelectricity operators. If they are unable to achieve national bottom lines while ensuring water supply for electricity operators, then they may set an objective below a national bottom line.

However, this may be too restrictive and perhaps some guidance, or better a policy, that directs regional councils to do whatever they can to maintain water quality. This becomes problematic as soon as you place discretion in the hands of the regional council.

I think an ideal policy...

Parallel consultations? Mindful that there is perhaps not room in the political calendar. With NPS REG.

Are you leaning on the NPS REG? CA3 is good but not enough.

Removal of Appendix 3 is possibly the more practical and functional way through.

Retention of Appendix 3 is perhaps a more principled argument. Water supply, etc. Municipal supply, etc.

The doors should not be closed. Water suppliers in Auckland and irrigation scheme down south.

Perhaps appendix 4 is the get out of jail free card.

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Whether renewables or hydro only?

Mercury, the hydro considerations are the most compelling considerations, in orders of magnitude, it is a big gap between our concerns about hydro and geothermal. The geothermal interplay with fresh water, NOT DISCHARGING geothermal water. Just the use of freshwater, generally as a take, and sometimes a discharge of fresh water, for thermal power station process heat cooling. And for well drilling operations – this is an activity, that in the life of a geothermal power development you drill at the start and drill more. Different quantum of water are required for if something goes wrong or whether it is smooth sailing. You need access to enormous amounts of fresh water, and you MAY need significant discharges, these are mostly to ground and not waterways.

Chris from CONTACT – renewables is better because it dovetails better and is so well known. Contact still run the oldest Wairake power station, built in the 1950s, and that power station discharges cooling water and geothermal fluid into the Waikato river. 5x less discharge than in the 1980s. Though there are heavy metals going into the river, arsenic boron heat, h2s. We need to consent in 2026. Contact are prepared to address this on its merits. This is in the broader Waikato catchment, where does renewables fit in this? How do we articulate the level of Regional Council discretion, and more importantly how does the NPSFM send the best national signals? Being very clear about what the energy outcomes are.

Sediment from runoff from the roads of Wind Energy Farms. Excellent...

Special treatment.

Renewables defined in RMA. As well as Renewables NPS.

PIGGY BACKING

Meridian: In the case of a diverted river, diverted river simply to CA3.

But the Lower Waiau River where the issue is the build up of periphyton, it might be appropriate to apply CA3 in terms of flows and flushing water. You might still want to control land use. Two examples. Check whether the policy allows councils to go either way based on the evidence.

Guidance, if they are having an adverse impact, then it would be reasonable to impose a measure on them. If the challenge is, the power

N and P and didymo are better understood. But the council will have to do that on evidence.

Adding the at risk option into the policy. – the idea behind this is Upper Waikato catchment is very leaky, this has groundwater nitrogen flows that take 70 years to get to the river. This is why they've included at risk. Removing the opportunity for hydro generators to be used to avoid the risk.

On the treatment of other parties in a catchment, we think that needs to be part of a discretion that is left to councils.

The risk of a bottom line breach may not be the right word, but the concept is the making of predictions of future states. Very situational and context dependent, as an example in the lower Waiau River it would be unreasonable to assume Manapouri river water for flushing flows. Perhaps a more directive policy that tells them to not rest on their laurels.

CA5: Yes, we do. Currently there are some deficiencies with renewables in the Freshwater NPS. The Freshwater NPS lists a whole series of national values, including hydroelectricity. Councils tend to have favourites in terms of NPSs, some councils think that the NZCPS think that it has more weight than the others, because it is IN THE ACT. Makes it clear. Perhaps it could be in a bubble to the side?

Perhaps we should make the change along the lines of CA5. If there is a later process, then we could come back with some consequential amendments.

Minor and technical amendments for NPSs do not remain.

At what point does it

CA5, policy b, does maintenance of the generation output, meeting or exceeding the target.

LOCATED WITHIN, to be located within the FMU, includes the catchment.

Wetlands

Identification, protection and activities.

Existing scheme state. What does this mean? Would help with both wetlands and indigenous biodiversity. If we don't have something like this then we need a more robust way of dealing with this.

Ruitaniwha land swap illegal

Ecosystem Health

Government aim to stop degradation and promote restoration activity.

Fish package and no net loss.

No net loss of habitat and ecosystem function.

What are the measurable characteristics of ecosystem health, and then what is the best tool to manage this? Will this include stuff that is outside of the NPS-FM?

Fish Passage: exceptions required? Some dams will be basically impossible to install fish passage into, heads of 30 to 60 metres with no way around them. Examples and technical reasons as to the difficulty of fish passage can be provided. The cost to retrofit fish passage could be considerable.

Do you want compulsory fish passage everywhere? Using structures to prevent the migration of pest fish to assist with the recovery of native species. We need to direct communities to discuss what they want to do in terms of their own fish conservation. Some kind of direction to prioritise effort (which tells me this is flexible and not a bottomline and so therefore no exceptions will be needed).

Fish passage frightens Contact Energy the most. The Roxburgh dam has zero capacity for fish passage. And even in the Clyde Dam built in the 80s didn't bother as most of the native ecosystem had been destroyed.

At 4metres it is easier to mitigate fish passage. In the Waitaki the big structures have impeded natives, but the smaller structures have actually impeded trout from preying on the native fish.

No net loss for ALL habitats. While interesting, generators express caution. In some cases, there will be limitations on what is known and what we can do. How do you prove the no net loss concept?

The accounting is difficult but roughly the methods should balance. Auckland Council successfully created one such tool.

Next steps

Can the sediment science be shared? They will commission additional scientific experts.

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Renewable Electricity Generation Stakeholder meeting – 15 February 2019

Nimbyism? This isn't a usual part of the RM system. Perhaps we could spend some time on this once we build the policy rationale. The wording in the NPS is constrained, so community feedback can only go so far, as a Council must implement the wording.

Problem Statement:

We need to ensure that we are not on a downward trend for renewables due to consenting issues.

Additionally, there are a range of wind consents granted years ago, but the technology has changed in the interim effectively requiring reconsents. Therefore the policy challenge is what could happen immediately.

Hydro and geothermal consents are subject to renewal. Wind is not limited by the need to consent, the consents endure, but the life of the asset will require repowering. A wind farm built in 2000, when repowered in 2025 will require new machinery. This will also mean environmental impacts will change (and therefore re consenting will be required).

If New Zealand does not deal with these challenges, emissions will not be reduced by as much.

District and regional plans have to be forward-looking. Therefore the solutions considered are ones that will influence regional planning.

If you wanted to have a separate consenting regime for specific wind, then you could alternatively just allow councils to do it as a permitted activity. There may be easier ways to do snazzy things with existing tools. E.g. a new NES, for smaller or medium sized generation.

Hopefully the third generation or the Resource Management Act has some specific tools to assist with large generation projects.

Success Criteria:

1. The immediate future - Enable existing renewables to continue in future, repowering wind, water consents for hydro, geothermal capability.
2. Longer term - We want to enable the bridge which means managing variations to existing consents, not letting them lapse, and enabling innovation with new scientific innovation, e.g. wind.
3. Even longer term - We want to enable a quantum shift in the generation of new renewables in the future. This is an energy transition that has taken us decades to achieve in the past and now must be done on a much shorter timeframe. The generators would like it to apply to large generational projects and also recognise smaller community initiatives.

All renewables are 'significant'.

The transmission NES is not just about permitted activities it has been very helpful in many other regards.

They know about s46(a) – the streamlined process.

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What to do?

Develop these ideas into a paper, to be received by the end of next week so that it can feed into the initial briefing note to be received by the Ministers.

The Government is committed to 100% renewables and reducing emissions. There are a bundle of hydro schemes that will require consenting in the 2020s.

NPSREG – How do we make the NPSREG more directive? Should we do more targeted changes, or should we completely rewrite it? I don't think it really matters. It is the exact same process under the RMA.

NES – wouldn't want to lock-in technology and so perhaps could not be for all renewables. Could we simply just do a wind NES?

Fatal flaws – avoid a “seek to avoid” provision in the NES. Exceptions in Freshwater NPS. NPS on biodiversity requiring avoidance in all circumstances, fatal flaws in allocation, a fully-allocated catchment has further consents of further permitted activities beyond what their hydro consents have allowed. NPSREG – the absence of the prioritisation that the NPSREG should give to the assessment of the beneficial impact when considering the adverse impact.

The generators have not 100% landed agreement on amendments to the NPSREG or standards.

Options

NPS REG

This is where the main intention has gone. We are committed to producing a pithy rationale for a set of changes. This is the one policy tool that transcends all three of the above objectives.

How might it be more directive? They have not yet agreed on this point. Though Meridian provided a draft NPS as part of their prod com submission.

The following is a list of smaller NESs as it might be too difficult to do a renewables NES to rule them all. Though if change is not achievable through a consultation process this year, then if some of these changes can't happen this year. But the low carbon economy is a high priority then we are not going to get the best intermediate outcomes – councils will continue to write plans and an awful lot will be jeopardised in the meantime. There is an imminent need to address this policy.

NES Wind Farm Noise

This should be achievable. It has already gone through a process. It is currently going into planning standards

NES Wind Farm Repowering

Meridian has previously argued that you could make repowering a controlled or permitted activity, you might have rules around limited notification. Wind is more standardised than hydro and therefore it is a better candidate for this kind of NES. How would it deal with the different environmental effects? You would have to identify some kind of sameness with what is put in, you might be able to increase the height or noise level by a specific amount. Towers are taller, blades are bigger, etc.

NES Small Scale Wind Farm

Could use a certain scale, discuss set backs, make this anywhere from permitted to controlled.

NES Small Scale Hydro

Reasons as above

NES Reconsenting Hydro/Geothermal

NES Fish Passage relating to hydro dams

Different parts of the country have different rules around fish passage.

Spatial tools

Other than Auckland, no one has been able to identify the 'go' areas. It is usually just areas where you are not allowed to build infrastructure. In other regions there are multiple sites where you could put wind farms, and so for that reason they haven't bothered singling out areas.

All of the companies are involved in commercial expansion and this is commercial IP, so they are unlikely to come to the party to assist with a national map of potential development areas. There is also a major danger that we would have an explosion of NIMBYISM from around the country.

Some concluding comments around how this is not a priority due to the messing with commercial interests.

DOC Estate

The conservation estate is 30% of NZ land. There is the opportunity for some of this land to be zoned. There is possibly the inclusion of new hydro. The DoC have granted concession, but not released detail for the concession fees for one particular project. Perhaps there is an opportunity for DoC to develop a more robust policy for small scale electricity generation on the conservation estate.

Other comments

A 100 year old hydro plant 0.5 megawatt. The reconsenting process took 19 years. This was Horizons, they changed their plan and deal with the fallout of that. It cost them over \$500,000.

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Monday 26 November:

Time	Topic For Discussion	Time allocated	Discussion Lead
9:30am – 10:30am	Company context – existing assets and issues	60 minutes	Generators
10:30am – 11:15am	Exceptions	45 minutes	Thomas O'Flaherty
11:15am – midday	Flows	45 minutes	Kirsten Forsyth
midday – 12:45pm	Heavy Metals	45 minutes	Nik Andic
12:45pm – 1:15pm	Lunch	30 minutes	
1:15pm – 1:45pm	Wetlands	30 minutes	Helli Ward
1:45pm – 2:15pm	Dissolved Oxygen	30 minutes	Jennifer Price
2:15pm – 2:45pm	Ecosystem Health	30 minutes	Carl Howarth

Wednesday, 12 December 2018 11:41 AM

We propose the following timetable for tomorrow's workshop. Let me know if you think this will be suitable.

- 10.00 – Policy CA3 and NPS REG
- 11.30 – Flows
- 12.00 – Lunch
- 12.30 – Wetlands
- 1.00 – Ecosystem health
- 1.30 approx. – finish

Tuesday, 22 January 2019 9:40 AM

Please see below the proposed agenda for our meeting on Monday. Robert Schofield from Boffa Miskell will join us for the first agenda item.

- 10.00 - Policy CA3 and NPS REG
- 11.30 - Sediment
- 12.00 - Flows
- 12.30 – Lunch
- 1.00 - Wetlands
- 1.30 - Ecosystem health
- 2.00 approx - finish

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Aide Mémoire: Meeting with Meridian Energy Limited

Date Submitted:	14 December 2018	MfE Tracking #: 18-B-05207
Security Level:	In confidence	MfE Priority: Non-Urgent

	Action sought:	Response by:
To Hon David Parker, Minister for the Environment	Read prior to meeting on 18 December 2018	N/A

Actions for Minister's Office Staff	Provide to Minister before meeting on 11 December 2018
Number of Attachments	Two
Note any feedback on the quality of the report	

Ministry for the Environment contacts

Position	Name	Cell phone	1 st contact
Responsible Manager	Jo Burton	[REDACTED]	
Director	Martin Workman	022 517 3268	✓

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Key Messages

- You have a meeting with Neal Barclay, the Chief Executive, and Guy Waipara, the General Manager, of Meridian Energy Limited on Tuesday 18 December 2018.
- Neal Barclay wrote to you on 10 October 2018 outlining Meridian's view on including representatives from the hydro sector on the Freshwater Leaders Group, and suggesting ways to enable New Zealand's transition to a net-zero emissions economy. This letter is attached as Appendix one.
- We note that the Freshwater Leaders Group does not have representatives from the hydro generation sector. In establishing the Freshwater Leaders Group, we considered that the issues of most concern to hydro generators were relatively isolated and that direct engagement with the hydro sector would be more beneficial.
- Subsequent to this letter being sent, officials from the Ministry for the Environment have held a series of workshops with representatives from the hydroelectric power industry – Contact Energy, Trustpower, Genesis Energy, Mercury and Meridian Energy. These organisations jointly wrote to you on 29 October 2018 seeking your endorsement for the workshop-based approach. This letter is attached as Appendix two.
- This aide memoire provides you with background on issues likely to come up at your meeting with Meridian Energy – specifically:
 - the purpose of the Government's various freshwater advisory groups;
 - background on the, as yet unreleased, report on volumetric charging for hydro-generators; and

- c) background on the policy work on exceptions to national bottom lines under the National Policy Statement for Freshwater Management 2014 (the Freshwater NPS).
6. We recommend that you use this meeting to listen to the concerns raised by Meridian Energy, and note that policy work is ongoing in relation to freshwater and renewable electricity.

Summary of existing advisory groups

7. Meridian may want to discuss the existing network of Government advisory groups. We include a brief summary of each below.

Hydro generators working group

8. Members of the Essential Freshwater Taskforce have been meeting with policy staff from the major hydro generators. These workshops have so far addressed all of the major amendments to the Freshwater NPS with a particular focus on exceptions and flows issues.

The Essential Freshwater Taskforce

9. This is a multi-agency taskforce of officials from a range of Governmental agencies. It works with the other groups to advance the Government's Essential Freshwater work programme.

Kahui Wai Maori

10. This group was established to broaden the conversation with Maori on freshwater. Kahui Wai Maori's role is to collaboratively develop and analyse policy options for consideration by Ministers.

Freshwater Leaders Group

11. The Freshwater Leaders Group includes leaders from the primary sector and agribusiness, environmental non-government organisations, and other parts of the community. The group is providing a sounding board for policy, inputting ideas, challenging analysis and leading the discussion with various sectors.

Science and Technical Advisory Group

12. This group consists of external scientific expertise to explore and test approaches and to advise on science and policy work.

Regional Council GEs Working Group

13. Regional councils are vital partners in improving freshwater quality because of their links to local communities. Regional council chief executives have a sub-group with a particular focus on testing water policy options.

Report: Impacts of a volumetric charging regime on hydro generation

14. This report analyses the impact of a volumetric charge for water use on hydro generation. This is a piece of analysis that was commissioned by the previous government's allocation work programme. Meridian Energy and other generators provided useful comment on this report. It has been peer reviewed by NZIER. The Ministry has not progressed work relating to this report due to the water work programme focussing more on water quality, as well as the present Government's coalition agreement which expressly rules out royalties on water. The Ministry provided you with a briefing seeking your agreement to publish it on its website (BN 18-B-04512 *Release of report: Impacts of volumetric charging on hydrogeneration of electricity* refers).

Exceptions to national bottom lines under the Freshwater NPS

15. Regional councils must set freshwater objectives for freshwater management units above the

national bottom lines specified in Appendix 2 of the Freshwater NPS. Councils may set freshwater objectives below a national bottom line if current water quality is below the national bottom line and that is caused by naturally occurring processes or infrastructure (provided that the infrastructure is listed in Appendix 3 of the Freshwater NPS). Waterbodies containing listed infrastructure are not exempted from meeting national bottom lines – it just means the decision to do so is devolved to Councils to consider at the same time they weigh up how to implement the other requirements of the Freshwater NPS. Because Appendix 3 is empty, no regional council is currently able to set freshwater objectives below a national bottom line in a water body affected by infrastructure; even if it is in the national interest for a regional council to do this (Briefing note 18-B-04940 *Essential Freshwater 10 - Exceptions to National Bottom Lines* provides further detail).

16. Appendix 3 is currently empty. Hydro generators have expressed significant interest in resolving the ambiguity around the treatment of their schemes under the Freshwater NPS. Meridian Energy are particularly interested as the resource consent for the Waitaki scheme expires in 2025, and the Manapouri scheme consent expires in 2031.
17. The Ministry for the Environment has been working with the Hydro Generators Working Group to develop options which will then be consulted on as part of the Essential Freshwater package next year. These options will likely include providing Regional Councils with discretion to breach national bottom lines to ensure New Zealand's hydro infrastructure is not unreasonably affected by the implementation of the Freshwater NPS.

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Appendix 1: Letter from Meridian Energy Limited

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meridian

10 October 2018

Hon David Parker
Minister for the Environment
Parliament Buildings Wellington

By email: d.parker@ministers.govt.nz

CC: Hon Dr Megan Woods, Hon James Shaw

Dear Minister Parker

I write in respect of two matter. If possible, I would like to meet with you to discuss them both in person:

1. Hydro generator representation on the Freshwater Leaders Group

I noted with interest your announcement on Monday regarding the Government's blueprint to improve freshwater quality and the establishment of an Essential Freshwater Taskforce supported by:

- Kahui Wai Māori;
- The Freshwater Leaders Group;
- The Regional Council CE's Water Sub-group; and
- The Science and Technical Advisory Group.

According to the Ministry's website these groups will build on the significant contributions made by the Land and Water Forum and the Iwi Leaders Group and test policy options and provide advice on how to achieve the Government's freshwater objectives.

Hydro generators were key contributors to the Land and Water Forum. I believe that the advisory groups announced this week would also benefit from the expertise and experience of the hydro sector.

As you will know, hydro is the dominant technology used to generate electricity in New Zealand with over 5,000MW of installed capacity providing over half our electricity needs and underpinning the entire New Zealand economy. The flexibility of hydro generation will be critical in the transition to a net zero emissions economy as hydro is currently the only large scale, 'on demand' renewable generation technology with sufficient flexibility to ramp up and down around other, more

intermittent, renewable generation sources such as solar and wind, thus enabling the integration of large amounts of intermittent renewables to our system without increasing electricity costs to New Zealand homes and businesses. Erosion of New Zealand's hydro base is likely to lead to significantly increased costs of transition to net zero emissions and to delay reaching that goal.

Including hydro sector knowledge and expertise on the current advisory groups would reflect:

- the importance of the hydro sector to the New Zealand economy;
- the sector's unique perspective and significant interest in freshwater management, including the fair allocation of fresh water and improvement of water quality;
- the fact that many of the proposals to be considered directly affect hydro generation, for example:
 - resolving exceptions to national bottom lines in Appendix 3 of the National Policy Statement for Freshwater Management;
 - a potential national Environmental Standard to provide a default regime for ecological flow and levels where none are set, and how minimum flows apply to existing consents; and
 - allocation of freshwater resources.

Including hydro sector expertise would result in a more fulsome range of views at the table and more balanced and complete advice from the advisory groups. I believe that the best way to achieve this is by including a hydro representative on the Freshwater Leaders Group and I hope that it is not too late for additional members of that group to be considered. It doesn't need to be a Meridian representative, but we are more than happy to contribute. I would appreciate the chance to discuss this matter with you further.

2. Enabling the transition to a net-zero emissions economy

Meridian is a champion of the Government's climate change work programme. We are strong supporters of a Zero Carbon Bill and the proposed improvements to the New Zealand Emissions Trading Scheme.

New Zealand is in a privileged position globally with a wealth of renewable electricity resources and a wide range of competitive renewable electricity generation development options including wind, geothermal, and hydro that can over time be expected to enable the electrification of transport and industrial processes and progressively displace existing thermal generation as we move towards a net zero emissions economy.

We believe the current Resource Management Act framework is likely to delay this transition and mean it comes with higher costs. I would like to discuss with you some ideas that will better enable investment in renewable electricity generation. These include, priority consideration of:

- A new National Policy Statement for Renewable Electricity Generation;
- Population of Appendix 3 of the National Policy Statement for Freshwater Management;
- Moving Climate Change and Renewable Generation from section 7 to section 6 of the Act;

- Allowing for consent durations longer than 35 years and longer consent lapsing dates by default for renewable electricity generation; and
- Development of National Environmental Standards or National Planning Standards that enable renewable electricity generation.

I look forward to hearing from you regarding a suitable time to meet and discuss these matters.

Yours sincerely



Neal Barclay
Chief Executive

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Appendix 2: Letter from hydro generators

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29 October 2018

Hon David Parker
Minister for the Environment
Parliament Buildings
Wellington

By email: d.parker@ministers.govt.nz
CC: Hon Dr Megan Woods, Hon James Shaw

Dear Minister Parker

Essential Freshwater: Healthy Water, Fairly Allocated

We collectively write to convey our strong desire to work in collaboration with the Government on the freshwater work programme that you and Ministers Davis and O'Connor announced on 8 October.

Our staff met with officials from the Ministry for the Environment on 17 October, and from that discussion we understand that:

- Ministers recognise the importance of hydro-electricity in supporting the Government's climate change and broader policy ambitions, and
- The experience and expertise of the electricity generation sector is regarded as a welcome and important contribution to the development of policy options as part of the freshwater reform programme.

We have discussed and committed to officials that our relevant sector representatives will participate in workshops with officials over the next 3 months to support the formulation of policy and technical advice under a "National Direction" workstream. We envisage this will include matters of mutual interest and importance including:

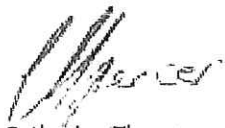
- Appendix 3 of the National Policy Statement for Freshwater (NPS FM);
- Potential for a National Environmental Standard on Ecological Flows,
- Powers to review existing resource consents,
- Potential new attributes for the NPS FM including
 - sediment and
 - wetlands

We understand that this work is a timing priority and we undertake to treat it as such. The workshop approach seems the most practical way forward to ensure quality engagement between our sector and government for the National Direction topics. We would also expect that officials will keep Ministers apprised of this engagement alongside advice from other advisory groups.

Beyond the next 3 months we note that the Government will be working on wider issues of water allocation (both quality and quantity) and Iwi/Maori rights and interests within that context. These are matters which are important to our sector and where we believe input from our sector will be important for Ministers to understand potential options and implications. We would also welcome a reconsideration of the National Policy Statement Renewable Electricity Generation to ensure it is fit for purpose and to ensure coherence with the national instruments now under development.

We propose that a review of the approach to engagement with our sector on this suite of topics is carried out with officials in the new year. We would be grateful for your endorsement of the approach outlined as we believe this will provide greater impetus for our engagement with officials.

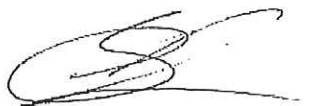
Yours sincerely



Catherine Thompson
GM External Relations & General Counsel
Contact Energy
pp Caroline Spencer



Peter Calderwood
GM Strategy & Growth
Trustpower



Guy Waipara
GM Generation & Natural Resources
Meridian Energy Limited



Tracey Hickman
Executive GM - Generation & Wholesale
Genesis Energy



Tony Nagel
GM Corporate Affairs
Mercury

Cc:

Dennis Barnes, CEO, Contact Energy
Vince Hawksworth, CEO, Trustpower
Neal Barclay, CEO, Meridian Energy Limited
Marc England, CEO, Genesis Energy
Fraser Whineray, CEO, Mercury

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