Proposed National Policy Statement for Renewable Electricity Generation – Indicative Drafting for ESEG (Nov 2024)

The table below provides NPS REG indicative drafting-in progress. It includes an overview of the policy intent (where applicable) and any relevant commentary. The purpose of sharing this indicative drafting is to test policy intent with ESEG and identify specific matters for public consultation. This is work in progress, and not final drafting, nor final government policy.

The exact wording, structure and format of the final National Policy Statement for Renewable Electricity Generation will differ.

Indicative NPS-REG drafting	Overview of intent/comments/questions
Part 1: Preliminary provisions and interpretation	
Part 1.1 Interpretation	
Act means the Resource Management Act 1991.	
Ancillary activities means all supporting activities needed to provide the investigation, construction, operation, maintenance, upgrading, repowering and decommissioning of REG assets, including but not limited to vegetation clearance, tree trimming, earthworks, the construction, maintenance and upgrading of access tracks and roads, power supply, and telecommunications.	The intent of this definition is to ensure that all relevant ancillary activities are captured as part of the overall REG activity.
specified environment values means: a) outstanding natural character in the coastal environment; b) significant indigenous vegetation and significant habitat of indigenous fauna, including significant natural areas (but excluding geothermal SNAs); c) significant, rare and threatened and at-risk indigenous taxa, ecosystems and habitats listed in Policy 11(a) of the New Zealand Coastal Policy Statement 2010; d) natural inland wetlands; e) outstanding natural features and landscapes; and f) the identified extent and values of rivers.	This differs from the ESEG definition of areas of national importance as follows: **Mapped or identified qualifier** • The indicative drafting does not limit the definition to areas mapped or identified in RPS or plans (operative or proposed). We want to explore the advantages and disadvantages of this through consultation. We recognise why it is beneficial for everyone if these areas are identified/mapped. However, mapping of these areas is variable/incomplete across the country. Limiting the definition to areas that are mapped/identified would therefore result in inconsistent protection of these areas based on existing council practice – not the actual values of the areas. In addition, any specified environmental value (SEV) discovered during the consenting process would still need to be managed appropriately. Our understanding is that, without access to the EMH, decision makers would rely on existing provisions in relevant plans/policy statements, which could create greater uncertainty and are likely to be more restrictive. The benefits of a nationally consistent EMH in the NPS-REG could also be diminished. **Scope of values included** • Sites of significance to Māori are not included within the definition as separate policy direction is proposed (refer Policy 4 below). • Sites of historic heritage are not included within the definition, and we are proposing that these areas continue to be managed by existing plan provisions. This essentially maintains the status quo with the benefit of strengthened NPS-REG policies. • 'Natural inland wetlands' and 'the identified extent and values of rivers' are included from the current NPS-FM, rather than 'waterbodies'. The intent is the definitions in the NPS-FM will be cross-referenced in the NPS-REG. • In addition to 'significant natural areas', the full RMA section 6(c) wording and specific reference to NZCPS policy 11(a) is included in the definition. This is intended to capture all significant biodiversity values while recognising that there is variation in how these are defined both in national direction and lower order plans. **ESEG discussion questions** • It is possible that areas with SEVs are identified during the consent process. These values must be managed appropriately. Without access to the EMH, decision makers are likely to rely on existing provisions in relevant plans/policy statements. This could result in greater uncertainty and inconsistency, and is likely to be more restrictive. Given this, is it still preferable to limit the definition of SEV to those mapped or identified in RPS or plans? • Sites of significance to Māori and historic heritage have been removed from the definition of SEV. Generally these section 6 matters are not cited as significant barriers to REG. It is proposed that these values are managed through existing national direction, regional policy statements, regional plan and district pan provisions. Does ESEG anticipate any unintended consequences with this approach?
Community-scale REG means renewable electricity generation with the primary purpose of supplying electricity to a community.	

Indicative NPS-REG drafting	Overview of intent/comments/questions
Decision-maker means all those persons making planning decisions under this National Policy Statement.	
Electricity networks has the same meaning as in the National Policy Statement for Electricity Networks 2025.	• This is intended is to cross reference the new proposed NPS-EN as this will capture both transmission and distribution networks which is referred to in a number of policies.
Environmental footprint means the horizontal spatial extent of an existing REG asset, including all supporting infrastructure and ancillary activities.	• 'Environmental footprint' is used in the policy direction relating to the reconsenting, upgrading and repowering of existing REG assets. We consider it beneficial to limit this term to the horizontal extent of the existing REG asset (which excludes height). The intent is to provide policy support to repowering of wind farms within the same or similar footprint (but with greater turbine height).
Existing REG assets means REG assets that, at a time a planning decision is made, are: a) lawfully established and constructed; or b) authorised by an unimplemented resource consent or designation that has not lapsed.	
Existing REG site means the site or sites used for REG assets to generate, store and convey electricity as applicable, including all supporting infrastructure and ancillary activities.	• 'Existing REG site' is used in the definition of repowering and policy direction below. • The purpose of this definition is to assist with implementation and to clarify that it is distinct from the National Planning Standards definition of 'site'.
Geothermal drilling [TBC]	**ESEG discussion question** ESEG drafting includes a definition for geothermal drilling. Could you please clarify the policy intent.
Geothermal SNA has the same meaning as in the National Policy Statement for Indigenous Biodiversity 2023.	• This definition is included to align with NPS-IB. It excludes geothermal SNAs from the policy direction/consenting pathways for areas with specified environmental values in the NPS-REG.
Functional need means the need for a proposal or activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment.	• This definition mirrors the National Planning Standards definition. It is included for completeness and ease of reference.
Identified extent and values of rivers means the extent and values of rivers that have been identified under the National Objectives Framework under the National Policy Statement for Freshwater Management 2020.	• This definition is included to establish a clear link with these areas being identified under the NPS-FM.
Natural inland wetland has the same meaning as in the National Policy Statement for Freshwater Management 2020.	• This definition is included to establish a clear link with these areas being identified under the NPS-FM.
Operational need means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical or operational characteristics or constraints.	• This definition mirrors the National Planning Standards definition. It is included for completeness and ease of reference.
Other environmental values means all relevant environmental values under the Act that are not: a) a listed value in the definition of specified environmental values; or b) a matter of national importance under section 6(d), 6(e), 6(f) or section 6(g) of the Act.	• This definition is intended to assist with the policy direction in Policy 5 below (for areas that are not areas with specified environmental values) while also recognising that the NPS-REG is not addressing all section 6 matters.
Planning decision means a decision on any of the following: a) a resource consent; b) a designation; c) a regional policy statement or proposed regional policy statement; d) a regional plan or proposed regional plan; e) a district plan or proposed district plan; and f) a change to a plan requested under Part 2 of Schedule 1 of the Act.	• The intent is to include all planning decisions where decision-makers must apply NPS policy framework
Renewable electricity generation or REG means the generation of electricity from renewable energy sources including from solar, wind, water, geothermal, biomass, tidal, wave, or ocean current energy sources.	• Consistent with existing NPS-REG.
REG activity / REG activities means: a) the investigation, construction, operation, maintenance, upgrade, repowering and decommissioning of REG assets; b) the storage of generated electricity; c) the conveyance of generated electricity to electricity networks or directly to end users; and	• Further clarity is needed on the rationale for including geothermal drilling (as above). • Clause e) is intended to help clarify where the NPS-REG v NPS-EN stop and start based on ownership. 'Electricity networks' will cover transmission and distribution based on the proposed NPS-EN as outlined above.

Indicative NPS-REG drafting	Overview of intent/comments/questions
d) all relevant ancillary activities associated with REG assets; but e) does not include electricity network assets owned and operated by Transpower NZ Limited or an electricity distributor.	
REG assets means the physical components and structures for renewable electricity generation and includes: a) the supporting infrastructure and assets required to generate and store electricity, such as monitoring equipment, cabling, access tracks and roads; and b) the infrastructure required to convey generated electricity to electricity networks or directly to end users.	
Repowering, in relation to existing REG assets, means the whole or partial replacement of REG assets within an existing REG site to increase generation output and/or extend the operational life of the REG assets.	
Resilience means the capacity of REG assets to absorb a shock, including from natural hazards, recover from the disruption, adapt to changing conditions, including climate change, and retain a similar level of essential service as before, even if that means delivering an infrastructure service in a new or different way.	• This definition is included to clarify the intent of 'resilience' as used in Policy 9. It is aligned with the definition proposed in NPS-Infrastructure and DPMC's work on critical infrastructure.
Reverse sensitivity means, in relation to REG, means the vulnerability of existing REG assets to complaint, burden, or constraint from a new or more intensive activity proposed or located near existing REG assets.	• This definition is aligned with the definition proposed in NPS-Infrastructure and is based on the definition from the National Planning Framework. We are considering whether further refinements are required to ensure it is fit-for-purpose.
Significant natural area has the same meaning as in the National Policy Statement for Indigenous Biodiversity 2023.	• This definition is included to establish a clear link with these areas being identified under the NPS-IB.
Small-scale REG means renewable electricity generation where the primary purpose is to provide electricity for on-site use at an individual site or landholder level.	
Upgrading, in relation to existing REG activities, means increasing the capacity, efficiency, safety, security, resilience or longevity of the existing REG assets.	
Wellbeing means the environmental, economic, social and cultural well-being of people and communities, and includes their health and safety.	
1) Terms defined in the Act and used in this National Policy Statement have the same meaning as in the Act, unless otherwise specified. 2) Terms defined in the National Planning Standards issued under section 58E of the Act and used in this National Policy Statement have the same meanings in that Standard, unless otherwise specified.	
Part 1.2 Relationship with other national direction 1) Planning decisions on REG activities in areas with specified environmental values (as defined in this National Policy Statement) are to be made under Policy 7 of this National Policy Statement and no other national policy statement, including the New Zealand Coastal Policy Statement 2010, except that the principles for offsetting and compensation in the National Policy Statement for Indigenous Biodiversity 2023 and the National Policy Statement for Freshwater Management 2020 apply.	• The intent is to clarify that policy direction relating to REG activities in areas with specified environmental values is contained within NPS-REG and no other NPSs apply. • In addition to this policy, consequential amendments will be made to "disapply" certain policies in the NPS-IB, NPS-FM and NZCPS. These consequential amendments have been identified in line with the memo from ESEG (covering both the relevant policies and implementation clauses as applicable). • We intend to consult on the appropriate weighting of the offsetting and compensation principles (see indicative Policy 7 below).
Part 1.3 – Application of section 55(2A) of the Act 1) The change to regional policy statements, regional plans and district plans required by the following policies are amendments to be made by local authorities under section 55(2) of the Act (which, because of section 55(2A), means that the changes must be made without using the process in Part 1 of Schedule 1 of the Act): a) [tbc]	• TBC – what policies should be directly inserted into plans.
Part 2: Objective	
Objective 1) The Objective of this National Policy Statement is that renewable electricity generated in New Zealand:	• The intent is to expand and strengthen the objective to reflect the significant increase in REG required to support emissions reduction targets and to highlight the beneficial outcomes (which includes improving resilience, and providing for the well-being of people and communities).

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Indicative NPS-REG drafting	Overview of intent/comments/questions
a) increases in a rate and manner necessary to support the achievement of New Zealand's emission reduction and energy targets and associated plans under the Climate Change Response Act 2002; b) provides greater resilience to disruptions to electricity supply, including from the effects of climate change and the risks from natural hazards; c) provides for the social, economic and cultural well-being of people and communities, and for their health and safety; d) is significantly increased in a timely manner while managing the adverse effects of REG activities on the environment.	
Part 3: Policies	
Subpart 1: General policies to implement this National Policy Statement	
1: National significance and benefits of renewable electricity generation 1) Decision-makers on REG activities must recognise and provide for the national significance and benefits of REG activities at a national, regional and local scale. 2) Decision-makers must recognise that the benefits of REG activities, include, but are not limited to: a) avoiding and reducing greenhouse gas emissions to provide positive effects for people, communities and the environment; b) contributing to the security, resilience and interdependence of electricity supply at national, regional and local levels through diverse REG sources and locations; c) providing for the social, economic and cultural well-being of people and communities and for their health and safety; d) using renewable rather than finite sources of energy; e) avoiding reliance on imported fossil fuels for the purposes of generating electricity; and f) the reversibility of adverse effects on the environment of some REG technologies. 3) Decision-makers must recognise the additional benefits of REG activities that are: a) located close to electricity demand and electricity networks, such as reduced electricity losses, economic efficiencies and environmental benefits; b) collocated with other appropriate REG activities and assets and other appropriate infrastructure and activities; and c) located where adverse effects on other activities are minimised.	• Clause 1) and 2) are consistent with the existing NPS-REG. • The proposed amendments strengthen the requirement for decision makers to consider the national benefits and significance of REG projects in RMA decision making. This aligns with the proposed objective and ensures greater consideration and weight is given to the national significance and benefits of REG projects. • Clause 2(b) strengthens existing wording and clause 2(c) is new. It differs slightly from the ESEG definition of nationally significant benefits and is included as policy direction rather than definition. We are not proposing that the policy direction state that the benefits of REG are to be prioritised over local adverse effects (as per ESEG Policy 3). • Clause 3) is new. The intent is to recognise the additional benefits of certain REG activities where they are located close to each other, near to electricity networks etc. It is not intended to act as a barrier for REG activities in other locations (i.e. these are not criteria that need to be met).
2: Considering cumulative gains and losses of renewable electricity generation capacity 1) Decision-makers on REG activities must recognise and provide for the importance of: a) enabling cumulative increases of REG output at any scale and any location, including small-scale and community scale REG activities; and b) avoiding, where practicable, any loss of REG output from a region, district or existing REG asset. 2) Decision-makers must avoid, where practicable, a reduction in the potential utilisation of renewable electricity resources from inappropriate subdivision, use and development.	• Clause 1) is broadly aligned with existing NPS-REG Policy B but amended to also enable cumulative increases of REG output, including through small-scale and community-scale REG activities. • As currently drafted, clause 2) could apply to any development where there is good solar or wind resource (i.e. entire districts in some instances). We are considering whether it is more appropriate to limit this direction to decisions on policy statements and plans.
3: Operational need or functional need for REG activities to be particular environments 1) Decision-makers must recognise and provide for REG activities that have an operational need or functional need to be in particular environments, including in areas with specified environmental values. 2) Decision-makers must recognise that the operational need or functional need of REG activities, includes the need to:	• The intent is to assist with the assessment of operational need or functional need of REG activities when required under Policy 7 (areas with specified environmental values). The intent is also that Policy 7(5) clarifies that an assessment of operational and functional need does not require an assessment of alternative locations.

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Indicative NPS-REG drafting	Overview of intent/comments/questions
a) be located where a renewable resource is located and available and a viable scale and quality to sustain the REG activity; b) be accessible to electricity networks and nearby to electricity demand; and c) have sufficient and accessible land available to support all associated current and future REG activities at that particular location.	
4: Recognising and providing for Māori interests 1) Decision-makers (and applicants as appropriate) must recognise and provide for Māori interests in relation to REG activities, including by: a) undertaking early engagement with tangata whenua in appropriate circumstances (to the extent that they wish to be involved); b) taking into account the values and aspirations of tangata whenua for REG activities at any scale; c) providing opportunities for tangata whenua involvement in decision-making in appropriate circumstances, including in relation to site of significance to Māori and issues of cultural significance; and d) operating in a way that is consistent with iwi participation legislation (as defined in section 58L of the Act).	• Direction is largely consistent with 2023 proposal and is based on policy in NPS on Urban Development. The intent is to provide direction to decision makers (and where appropriate, applicants) on how to manage adverse effects on Māori interests, and for increased consideration of early engagement with tangata whenua and decision-making opportunities.
5: Small-scale and community-scale REG activities 1) Decision-makers must recognise and provide for small-scale and community-scale REG activities.	• We are considering the need for separate policy direction for small-scale and community-scale REG activities given that these are captured as 'REG activities' and all the relevant policies apply. • We are also proposing a specific reference to small-scale and community-scale REG activities in Policy 2 above the context of cumulative increases in REG output which may be sufficient.
Subpart 2: Policies for enabling REG activities while managing adverse effects on the environment	
6: REG activities outside areas with specified environmental values 1) Decision-makers must enable REG activities outside areas with specified environmental values provided that adverse effects on other environmental values are avoided where practicable, remedied where practicable, or mitigated where practicable.	• Direction is consistent with 2023 proposal. • The suggested definition of 'other environmental values' (above) is intended to clarify that this policy does not apply to certain section 6 matters (e.g. historic heritage) but captures all other relevant values, such as amenity landscapes and rural character.
7: REG activities within areas with specified environmental values 1) Decision-makers may allow REG activities in areas with specified environmental values where it is demonstrated that: a) there is an operational need or functional need for a new REG activity to be located in that area; b) any adverse effects on the specified environmental values of the area are managed by applying the effects management hierarchy in clause (2) and (3) as applicable; c) the applicant has demonstrated how each step of the effects management hierarchy in clause (2) and (3) will be applied as applicable; and d) there will be no significant residual adverse effects. 2) The effects management hierarchy for areas of significant indigenous vegetation and significant habitat of indigenous fauna, including significant natural areas and taxa, habitats and ecosystems listed in Policy 11(a) of the NZCPS, and natural inland wetlands is as follows: a) adverse effects are avoided where practicable; then b) adverse effects are minimised where practicable; then c) adverse effects are remedied where practicable; then d) where there are more than minor residual adverse effects, then offsetting is provided where practicable; then e) if offsetting of more than minor adverse effects is not practicable, compensation is provided where practicable.	• A key consideration is to have consistent effects management hierarchies (EMH) across the national direction programme where appropriate. Key provisions/changes to note: ○ If REG activity is 'allowed', section 104 provisions continue to apply. ○ The EMH steps must be applied and in sequential order. This differs from ESEG's proposed effects management framework, where 'avoid' is the only mandatory step and subsequent steps can be applied at discretion. ○ The EMH has been split into two with offsetting and compensation only required for more than minor residual adverse effects on significant biodiversity, wetland and river values. ○ A significant residual adverse effects threshold applies to all values within the definition of areas with specified environmental values. The environmental bottom lines are consistent regardless of whether REG is existing or new. This differs from ESEG drafting which allows significant residual effects on all values (if existing REG) and on a subset of 'ANIs' (if new REG). Note: This should be read with subpart 3 below (policies for enabling and protecting existing REG assets). When read together, the intent is that: ▪ when repowering and upgrading existing REG, decision makers have regard to the efficiencies and environmental benefits of increasing REG output within the same or similar environmental footprint, and ▪ when renewing regional consents for existing REG, decision makers must consider the extent to which the effects are <u>different</u> in scale, intensity, duration and frequency from the effects of the existing REG asset. ○ Clause 4) requires that the offsetting and compensation principles in NPS-IB and NPS-FM are applied (with principles that need to be complied with.) We intend to explore how the principles should be applied in public consultation.

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3) The effects management hierarchy for all other areas with specified environmental values, is as follows: a) adverse effects are avoided where practicable; then b) adverse effects are mitigated where practicable; then c) adverse effects are remedied where practicable. 4) When biodiversity offsetting, aquatic offsetting, biodiversity compensation or aquatic compensation must be provided where practicable (as part of applying the effects management hierarchy in clause (2)), it must be done in accordance with the principles in the National Policy Statement for Indigenous Biodiversity 2023 and the National Policy Statement for Freshwater Management 2020. 5) For the avoidance of doubt, when applying the requirements of this policy, decision-makers must: a) recognise and provide for the operational need or functional need of REG activities to be in particular environments as directed by Policy 3 in this National Policy Statement; b) not require an assessment of alternative locations as part of assessing the operational need or functional need of REG activities to be in an areas with specified environmental values; and c) apply the effects management hierarchy in clause 2) and 3) as applicable within the area with specified environmental value.	○ Clause 5) is new 'avoidance of doubt' clause intended to: ▪ Clearly separate out the decision to locate in the area versus application of the EMH (i.e. the EMH applies within the area so there is no relitigating of the need to be in the area at any step of the EMH). ▪ Clarify that an assessment of operational need or functional need does not require an assessment of alternative locations. • We want to explore through public consultation: ○ How best to ensure the EMH is applied to managing effects rather than revisiting the location or need for the project. ○ Guidance on 'where practicable' – eg, must take into account not just what is technically feasible but what is reasonable including costs and timing. ○ How the offsetting and compensation principles in the NPS-IB and NPS-FM are incorporated, complied with or given weight as part of this EMH. ○ Environmental bottom lines for existing and new REG. **ESEG discussion questions** • Does ESEG anticipate any issues with how the EMH will be implemented? • We have identified several matters to test through public consultation to ensure the EMH is fit-for-purpose. Does ESEG have any further suggestions on matters to explore?
Subpart 3: Policies for enabling and protecting existing REG assets	
8: Providing for the operation and maintenance of existing REG assets 1) Planning decisions must enable the operation and maintenance of existing REG assets, including all relevant ancillary activities and infrastructure.	• The intent is to ensure the operation and maintenance of existing REG activities is enabled without restriction (as per some existing plan rules). Policy 9 is additional policy direction for reconsenting, upgrading and repowering.
9: Reconsenting, upgrading and repowering existing REG assets 1) Decision-makers on the reconsenting, upgrading and repowering of existing REG assets must: a) have particular regard to the efficiencies and environmental benefits of increasing REG output within the same or similar environmental footprint; b) consider the extent to which the effects of the proposed REG activity are different in scale, intensity, duration and frequency from the effects of the existing REG asset; and c) provide flexibility for changes in consent conditions to enable the upgrading of existing REG assets to adapt to new technologies to increase REG output and improve resilience.	• The intent is to provide specific direction to enable the reconsenting, upgrading and repowering of existing REG activities. For example, when reconsenting, the proposed amendments direct decision makers to only consider the change in effects from the existing environment. • This is to be read with the effects management policies above in subpart 2. **ESEG discussion questions** • Without amendments to the RMA (which would be addressed in RMA phase 3 reforms), does ESEG consider the policies sufficient to enable and protect existing REG assets? • Is the relationship between policies 7 and 9 sufficiently clear and directive?
10: Protecting existing REG assets from other activities 1) Planning decisions must protect existing REG assets from the adverse effects of new activities near those assets, including by avoiding reverse sensitivity effects to the extent reasonably possible.	• Direction is consistent with existing Policy D, 2023 proposal. • We have retained the qualifier "to the extent reasonably possible" as it may not be possible to avoid any reverse sensitivity effects in all instances.
Part 4: Timing	
TBC	