

FTC#42 Application for referred project under the COVID-19 Recovery (Fast-track Consenting) Act – Stage 2 decision on:

Application 2020-28 – Kapuni Green Hydrogen Project

Date Submitted:	18 February 2021	Tracking #: 2021-B-07533
Security Level	In-Confidence	MfE Priority: Urgent

	Action sought:	Response by:
To Hon David Parker, Minister for the Environment	Decision	TBA

Actions for Minister's Office Staff	Return the signed briefing to MfE.
Number of appendices and attachments	<p>Titles of appendices and attachments (ie, separate attached documents):</p> <ol style="list-style-type: none"> 1. Kapuni Green Hydrogen Project application documents and further information received on 13 January 2021 2. Stage 1 Briefing Note and Aide Memoire 3. Statutory Framework for making decisions 4. Draft Notice of Decision Letter to BTW Company Limited on behalf of Hiringa Energy Limited and Ballance Agri-Nutrients Limited 5. Section 17 Report 6. Comments received from Ministers, Local Authorities, Te Korowai o Ngāruahine Trust, Transpower NZ Ltd, Powerco Ltd and Nova Energy Ltd.

Ministry for the Environment contacts

Position	Name	Cell phone	1 st contact
Principal Author	Jess Hollis		
Responsible Manager	Sara Clarke	s 9(2)(a)	✓
Director	Keita Kohere	s 9(2)(a)	

FTC#41 Application for referred projects under the COVID-19 Recovery (Fast-track Consenting) Act – Stage 2 decision

Key Messages

1. This briefing relates to the application received under section 20 of the COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) from Hiringa Energy Limited and Ballance Agri-Nutrients Limited (Ballance) for referral of the Kapuni Green Hydrogen Project (the Project). A copy of the application is included in Appendix 1.
2. We seek your decision on whether the Project should be referred to an expert consenting panel (a panel). This is the second briefing relating to this application. A copy of the first briefing (2020-B-070359) is included in Appendix 2.
3. The Project site for the wind turbines is located at 271 – 359 Kokiri Road, Kapuni, Taranaki (the PKW Farm), and the electrolysis plant and hydrogen production infrastructure are to be located at 309 Palmer Road, Kapuni, Taranaki (the Ballance Kapuni Plant). Two options proposed for underground electricity cable alignment are located between the two sites.
4. The Project involves generation of renewable electricity to provide baseload power to the Ballance Kapuni ammonia-urea plant, and to produce green hydrogen¹ from water via electrolysis at the plant. The resulting green hydrogen will be used as follows:
 - a) Initially 100% by the Ballance Kapuni Plant by being combined with atmospheric nitrogen to produce green urea
 - b) Transition over a 10-year period to approximately 90% usage as a fuel for the transport sector, as the hydrogen transport market develops.
5. The Project comprises the construction and operation of four wind turbines and associated electricity infrastructure, an electrolysis plant and hydrogen production infrastructure, hydrogen storage, loadout facilities and associated works. The proposed wind turbines will be located on the volcanic ring plain of Mount Taranaki and will be approximately 14 kilometres to the south-south east of the outer edge of Te Papakura o Taranaki (Egmont National Park) and approximately 23.6 kilometres from the mountain summit.
6. The application states that this will be the first project in New Zealand to couple wind generation with hydrogen production. It will also support development of a green hydrogen energy and transport hub proposed for South Taranaki as part of the H2 Taranaki Roadmap.²
7. The scale of the four proposed wind turbines is significant. The maximum height of the proposed wind turbine tips at 230 metres would exceed the height of the New Plymouth Power Station chimney (198 metres), the second tallest structure in New Zealand. In comparison, turbines at the Waipipi Wind Farm located between Waverley and Pātea are

¹ 'Green hydrogen' is a term used to describe low carbon derived hydrogen. It is produced by splitting water molecules into the constituent elements of hydrogen and oxygen, using renewable electricity (in this case via wind generation) to power an electrolyser.

² The H2 Taranaki Roadmap, launched in March 2019, was developed by Hiringa Energy Limited with support from Venture Taranaki, New Plymouth District Council and the New Zealand Government's Provincial Growth Fund. The Roadmap outlines a series of projects that will help the establishment of a low-emissions hydrogen sector.

160 metres high. If constructed, the wind turbines at Kapuni would be the tallest in the country.

8. The analysis section of this briefing identifies the following four important matters for your consideration when determining whether to refer this Project:
 - a) the significance of Mount Taranaki to iwi and the Project's effect on the cultural well-being of current and future generations (section 19(b) of the FTCA)
 - b) the potential for significant adverse effects (section 19(e) of the FTCA)
 - c) the potential for the Project to support decarbonisation of New Zealand's economy and Taranaki's transition to a lower emissions energy sector as well as providing new employment and development opportunities in Taranaki, a region affected by COVID-19 (sections 19(d)(vii) and 19(d)(i) of the FTCA)
 - d) the likely high level of public interest and inability for public input should you decide to refer the Project (section 23(5)(b) of the FTCA).
9. We recommend you accept the application for referral under section 24 of the FTCA and refer it to a panel for fast-tracking.
10. We also recommend additional requirements of the applicant relating to provision of information to a panel, and directions to a panel regarding invitations to comment.

Statutory Framework Summary

11. The statutory framework for making your decision is set out in Appendix 3. You must apply this framework when you are deciding whether to accept all or part of the Project for referral to a panel. You may accept referral of the Project if you are satisfied that it meets the referral criteria in section 18, including whether it will help to achieve the purpose of the FTCA.
12. Even if the Project meets the referral criteria in section 18 of the FTCA, section 23(2) of the FTCA permits you to decline to refer it for any other reason.

Analysis

Issues and Risks

Significance of Mount Taranaki to iwi

13. The Section 17 report identifies that Tupuna Koro o Taranaki (Mount Taranaki) is of great traditional, cultural, historical and spiritual importance not only to Ngāruahine (within whose rohe the project is located) but to all the iwi of Taranaki (Ngā Iwi o Taranaki). They consider Mount Taranaki, the Pouākai and Kaitake Ranges (collectively known as Ngā Maunga) as a living being, which encompasses all physical and metaphysical elements from the peaks through to the surrounding environs.
14. The Crown is currently in collective negotiations with Ngā Iwi o Taranaki relating to the Taranaki Maunga, with the intent of providing an apology and cultural redress.

15. s 9(2)(f)(ii), s 9(2)(g)(i) commented that the projected impact of the turbines on sightlines to Taranaki Maunga from the south east could be considered to conflict with the Crown's agreement in the 2017 Record of Understanding to uphold the mana of Ngā Maunga. The iwi authority for the immediate project area – Te Korowai o Ngāruahine Trust - did not raise this particular matter. Comments were not invited from other iwi and we do not have a clear indication of the range of views from iwi who may be affected by the Project.
16. To ensure that this matter is comprehensively canvassed by a panel, we support the requests s 9(2)(f)(ii), s 9(2)(g)(i) that you provide notices of your referral decision to, and require a panel to invite comment from, the Taranaki Māori Trust Board (as a collective representative of iwi of Taranaki), Ngāruahine hapū and Ngāti Ruanui (the iwi whose rohe adjoins that of Ngāruahine).
17. We also note that if the Project is referred the applicant will be required to engage the iwi authority Te Korowai o Ngāruahine Trust to prepare a cultural impact assessment, and the iwi authority has advised that it is likely this will be compiled by the Ngāruahine hapū. This will ensure that hapū voices are heard by a panel. However, we consider a panel should also have the opportunity to consider a cultural impact assessment prepared from a wider iwi perspective, should their relevant representative wish to provide one.

The potential for significant adverse effects relating to hazardous facilities, landscape and visual effects and cultural values

18. South Taranaki District Council (STDC) supports referral of the Project for fast-tracking. It considers that the two most significant issues for the Project are cumulative impacts in a high hazard area in the vicinity of the Ballance Kapuni site and visual impacts of the proposed wind turbines.
19. With respect to the high hazard area referred to by STDC, STDC has commented that the South Taranaki District Plan (the District Plan) is fully operative and includes Petroleum Flare Alert Areas and Petroleum Activity Risk Contours. The Petroleum Flare Alert Area is a non-regulatory map layer which does not trigger any District Plan rules. The Petroleum Activity Risk Contour applies to petroleum exploration and petroleum production provisions. An alert area and risk contour relating to the Todd Energy Kapuni Production Station and Todd Energy Kapuni Gas Treatment Plant, located on the opposite side of Palmer Road, partially extends over the Ballance Kapuni site.
20. If you decide to refer the Project, we recommend that you direct the applicant to provide information relevant to an assessment of significant hazardous facilities listed in Section 20.5.10 of the District Plan. This includes a risk assessment report which considers whether the Project will avoid or adequately mitigate cumulative adverse effects with respect to other hazardous facilities in the area.
21. We also note that if you decide to refer the Project a panel is required, under clause 17, schedule 6 of the FTCA, to invite comments from the owners and occupiers of adjacent land. This includes Todd Petroleum Mining Company Ltd who own the Todd Energy Kapuni Production Station and Todd Energy Kapuni Gas Treatment Plant. This will enable a panel

to consider any comments from those parties, including risks relating to the operation of existing facilities.

22. With respect to landscape and visual effects, Mount Taranaki is recognised as an outstanding natural feature/landscape in the Regional Policy Statement for Taranaki 2010 and the South Taranaki District Plan (Operative 22 January 2021). The proposed wind turbines will be located on the volcanic ring plain of Mount Taranaki. Given the national significance of the Mount Taranaki landscape and the height of the proposed wind turbines, which will be the largest installed in New Zealand so far, there is potential for the Project to generate significant adverse landscape and visual effects.
23. Given the cultural significance of Mount Taranaki there is also the potential for significant adverse cultural effects. Te Korowai o Ngāruahine Trust, the relevant iwi authority and post-settlement governance entity for Ngāruahine, support the proposal in principle as it presents an opportunity to transition away from reliance on fossil fuels. However, they have concerns about the potential impacts on the rohe of Ngāruahine including noise and flicker impacts from the turbines on Te Aroha marae (located approximately 2 kilometres from the proposed wind turbines) and other marae and kura within the rohe. There is potential for the turbines to adversely interfere with the visual connection between Te Aroha marae and Taranaki Maunga. The Trust queries whether these matters are appropriately addressed in the referral application. The Trust also raised concerns about the reduced consultation opportunities through the fast-track process and considered that all hapū of Ngāruahine should be considered potentially affected. We note that the District Plan does not explicitly recognise nor protect viewshafts of Mount Taranaki, and that if you decide to refer the Project, a panel can more fully assess the environmental, including cultural, effects of the Project and determine if sufficient mitigation measures are available.
24. If you decide to refer the Project, we recommend that you direct the applicant to provide a landscape and visual assessment which must specifically include consideration of the effects on sightlines of Mount Taranaki when viewed from sites of importance to Māori. These sites of importance should be determined in consultation with Te Korowai o Ngāruahine Trust and Ngāruahine hapū. We recommend that the landscape and visual assessment include photo montages taken from a range of public vantage points, and from a range of private properties beyond those immediately adjacent to the proposed wind turbine site. In particular, these should show the scale of the proposed wind turbines in relation to views of Mount Taranaki.
25. We also recommend the applicant provide additional technical reports with their application to the Environmental Protection Authority (EPA) to address other concerns raised by Te Korowai o Ngāruahine Trust and other parties who provided comments on the referral application.

Supporting New Zealand's transition to a lower emissions economy and employment in Taranaki

26. The recently released report from He Pou a Rangi – the Climate Change Commission (2021), recommends that the use of low carbon fuels, such as biofuels and hydrogen, needs to

increase, particularly in heavy trucks, trains, planes, and ships. The report notes that 'low carbon fuels will play an important role in reducing emissions from transport'.³

27. The Climate Change Commission state that 'bioenergy and hydrogen both hold promise, but Aotearoa needs to understand how best to make use of their potential. Our analysis indicates that these fuels have significant potential for reducing emissions in transport, process heat and industrial processes.'⁴ The report recommends that the Government assess the place that hydrogen has in the new national energy strategy.
28. We consider that the Project will assist New Zealand's efforts to mitigate climate change and transition more quickly to a low-emissions economy (subject to a successful future transition to the use of the green hydrogen as a fuel in the transport sector).
29. Comments on the Project have been received from Transpower NZ Ltd, Powerco Ltd and Nova Energy Ltd as parties who may be involved in, or whose assets may be affected by, the transmission of electricity generated by the Project. Transpower NZ Ltd are supportive of the referral of the Project whilst Powerco Ltd is neutral and Nova Energy Ltd has not commented on whether they support or oppose referral of the Project. All three parties note that further design details are required, however no significant concerns for the Project have been raised. We recommend that you require a panel to invite comment from Transpower NZ Ltd, Powerco Ltd and Nova Energy Ltd to enable consideration of detailed design options.
30. With respect to employment outcomes, the Project is expected to provide an average of 40 full-time equivalent jobs over an 18-month period covering engineering, design and construction. Monthly employment is forecasted to peak at approximately 75 jobs during the construction period. The applicant notes that ongoing operation of the Project will support work for over 150 existing staff and contractors at the Ballance Kapuni site. STDC have commented that Ballance Kapuni is one of South Taranaki's larger employers and that the Project will sustain employment and promote growth and reinvestment of the company.

Referring the Project will remove broader public input to a high-interest project

31. Developments involving wind turbines tend to receive a high level of public interest, and the proposed wind turbines are of a significant height. There is a risk that referring the Project could be viewed negatively by wider community members who may have an expectation to be involved in a consenting process due to the scale of the structures, potential environmental effects and where public or private views of Mount Taranaki may be affected.
32. The applicant has provided an engagement register identifying 22 property owners who have been consulted about the Project. We are uncertain whether this has captured all landowners and occupiers of the surrounding land who may be directly adversely affected by the construction and operation of the proposed wind turbines in particular. We note that if you decide to refer the Project, a panel must invite comments from adjacent landowners and occupiers under clauses 17(6)(g) and 17(6)(h), Schedule 6 of the FTCA. Some of the 22 property owners who have already been consulted are not 'adjacent' to the project site and so a panel is not required by the FTCA to invite comment from them. However, a panel has

³ He Pou a Rangi – the Climate Change Commission. (2021). 2021 Draft Advice for Consultation, (p. 109). <https://www.climatecommission.govt.nz/get-involved/our-advice-and-evidence/>

⁴ He Pou a Rangi – the Climate Change Commission. (2021). 2021 Draft Advice for Consultation, (p. 114). <https://www.climatecommission.govt.nz/get-involved/our-advice-and-evidence/>

the ability to invite comments from any person they consider appropriate (clause 17(8), Schedule 6 of the FTCA). In our view, it is important that the extent of the existing engagement is considered in the context of the extent of the effects of the proposal and the purpose of the FTCA. Therefore, we consider a panel should invite comment from the persons they consider appropriate in accordance with clause 17(8), Schedule 6 of the FTCA and with the benefit of a complete resource consent application.

33. The technical reports we recommend that you require the applicant to provide to a panel, including a landscape and visual assessment, acoustic assessment, and shadow flicker assessment, will assist a panel to consider the extent and significance of the Project effects, and identify parties to invite for comment.
34. STDC has commented that the Project would be publicly notified if a resource consent application were made under standard RMA processes. However, STDC consider that it is appropriate for the Project to go through the fast-track consenting process and that the FTCA provides an 'appropriate level of community input'. Te Korowai o Ngāruahine Trust has commented that by allowing the Project to be assessed through the fast track process it has the potential to disenfranchise the local community, which is something that should be avoided. We consider that it remains a potential issue that the FTCA does not provide the opportunity for wider public input on this Project.

Water considerations

35. Waterways located on the Project sites are recognised specifically through statements of association contained in the Treaty settlement with local iwi Ngāruahine, and through this association the hapū of Ngāruahine have a responsibility as kaitiaki in accordance with their kawa and tikanga to restore, protect and manage these streams.
36. Comments received from Te Korowai o Ngāruahine Trust raise specific concerns over the use of water from the Waingongoro River (one source of Ballance's current water take), including that there has been no discussion with those who have mana whenua over this stream. Te Korowai o Ngāruahine Trust comment that the Waingongoro River is under allocation pressure and it would prefer for water takes from this catchment to be reduced.
37. The application refers to the need for a water permit, however the applicant clarified that a new water permit would not be required, and that additional water use for the Project can be accommodated within the limits of existing water permits (take and use) held by Ballance. The applicant has advised that Taranaki Regional Council (TRC) has granted the required consents to vary the existing water permits to use the water for hydrogen production purposes.
38. The take of water from the Waingongoro River does not form part of the Project and the iwi authority's concerns over this and water allocation in the catchment cannot be addressed through consideration of the Project through the fast-track process. This will be a matter for TRC (and possibly the Crown) to manage through different processes.

National Direction

39. We consider that the Project supports Policy A, in particular, of the National Policy Statement for Renewable Electricity Generation 2011 that requires decision makers to recognise and provide for the national significance of renewable electricity generation activities. We also note that subject to appropriate management occurring, Transpower NZ Ltd does not consider the Project to be inconsistent with the National Policy Statement on Electricity Transmission.

Our Advice

40. Before making your decision, you must consider the application and any further information provided by Hiringa Energy Limited and Ballance (in Appendix 1), the Section 17 report (in Appendix 5), and comments received from Ministers, local authorities, Te Korowai o Ngāruahine Trust, Transpower NZ Ltd, Powerco Ltd and Nova Energy Ltd (in Appendix 6).
41. A summary of our analysis for this application is in Table A. We consider the Project meets the referral criteria in section 18 and will help achieve the purpose of the FTCA as it has the potential to:
- a) generate employment by the creation of an average of 40 FTE jobs over an 18-month period covering engineering, design and construction (section 19(d)(i))
 - b) provide infrastructure that will contribute to improving economic and employment outcomes (section 19(d)(iv))
 - c) assist to improve environmental outcomes for air quality by lowering the level of emissions generated from combustion of natural gas at the Ballance Kapuni Plant (section 19(d)(v))
 - d) assist to improve environmental outcomes for air quality and assist New Zealand's efforts to mitigate climate change and transition more quickly to a low-emissions economy (subject to a successful future transition to the use of the green hydrogen as a fuel in the transport sector) (section 19(d)(v) and (vii))
 - e) progress faster by using the processes provided by the FTCA than would otherwise be the case (section 19(c)).

Further, we believe any adverse effects arising from the application and mitigation measures are able to be tested through a panel having regard to Part 2 of the RMA and the purpose of the FTCA.

42. However, if you consider that the effects mean the Project will not promote the sustainable management of natural and physical resources, you must decline referral of the Project under section 23 of the FTCA.
43. We consider that there is a risk that referring the Project could be viewed negatively by wider community members who may have an expectation to be involved in the consenting process of the Project due to the scale of the wind turbines. You may decline the application for referral under section 23(5)(b) of the FTCA should you consider that it would be more appropriate for the Project to go through the standard consenting process under the RMA (whereby the STDC have indicated that an application would be publicly notified).

44. We consider that you should have regard to all matters under section 19 of the FTCA (including positive benefits and adverse effects) when considering whether the Project will help to achieve the purpose of the FTCA.
45. While the Project has the potential for positive benefits it also has the potential for adverse environmental effects such as effects on cultural values and the relationship of iwi and hapū to Mount Taranaki, landscape and visual effects, acoustic and shadow flicker effects and effects relating to the establishment and operation of a new hazardous facility. A comprehensive assessment of effects (and potential mitigation measures) and decision as to whether an application would promote Part 2 of the RMA and the purpose of the FTCA, is a matter for a merit assessment.
46. We therefore consider you should accept the application under section 24 of the FTCA and that the Project be referred to a panel.
47. We consider that you should direct a panel to require the applicant to provide the information outlined in recommendation 1i) of this briefing with its resource consent application submitted to a panel under section 24(2)(d) of the FTCA for the following reason/s to:
- a) inform a panel of actual and potential effects of the development
 - b) support a panel to identify any other parties to invite comments.
48. We consider that you should direct a panel to invite comments on a consent application under section 24(2)(e) of the FTCA from the following groups:
- a) The six hapū of Ngāruahine:
 - Ngāti Tū
 - Ngāti Manuhiakai
 - Kanihi – Umutahi
 - Ngāti Haua
 - Ngāti Tamaahuroa me Tītahi
 - Ōkahu - Inuāwai
 - b) Ngāti Ruanui
 - c) Taranaki Māori Trust Board
 - d) Transpower New Zealand Limited
 - e) Powerco Limited
 - f) Nova Energy Limited

Next Steps

49. Once you make your decision on the application, you must give notice of this decision, and the reasons for it, to the applicant and the persons, entities and groups listed in section 25 of the FTCA. We have attached a letter to the applicant based on our recommendations (refer Appendix 4). The Ministry will work with your office to give notice to the persons invited to comment on your behalf.
50. To refer the Project, you must recommend that a referral order be made by way of an Order in Council (OIC).

51. Cabinet has agreed that you can issue drafting instructions to the Parliamentary Counsel Office without the need for a policy decision to be taken by Cabinet in the first instance.⁵ Final decisions on an OiC will still be taken to the Cabinet Legislation Committee, followed by Cabinet confirmation.

⁵ Following the first OiC, the Minister for the Environment (and Minister of Conservation for projects in the Coastal Marine Area) can issue drafting instructions directly to the Parliamentary Counsel Office. Cabinet has also agreed that a Regulatory Impact Assessment is not required for an OiC relating to projects to be referred to a panel [ENV-20-MIN-0033 and CAB-20-MIN-0353 refer].

Recommendations

1. We recommend that you:

- a) **Note** that section 23(1) of the COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) requires you to decline an application for referral unless you are satisfied that the project meets the referral criteria in section 18 of the FTCA including that it would help to achieve the FTCA's purpose.
- b) **Note** that when assessing whether a Project would achieve the FTCA's purpose, you should consider under section 19 whether it would result in a public benefit (such as generating employment and economic benefits, and whether it could have significant adverse effects).
- c) **Note** that if you are satisfied that all or part of a project meets the referral criteria in section 18 of the FTCA you may:
 - i. decline an application for any reason under section 23(2) of the FTCA
 - ii. refer all or part of a project to a panel
 - iii. refer the initial stages of a project to a panel while deferring decisions about the project's remaining stages.
- d) **Note** that if you do refer all or part of a project you may:
 - i. specify restrictions that apply to the project
 - ii. specify the information that must be submitted to a panel
 - iii. specify the persons or groups from whom a panel must invite comments
 - iv. set specific timeframes for a panel to complete their process.
- e) **Note** that before deciding to accept an application for referral under section 24(1) of the FTCA you must consider:
 - i. the application
 - ii. the report obtained under section 17
 - iii. any comments received
 - iv. any further information requested and provided within the required timeframe.
- f) **Agree** that the Kapuni Green Hydrogen Project meets the referral criteria in section 18 of the FTCA.

Yes/No
- g) **Agree** the Kapuni Green Hydrogen Project will help achieve the purpose of the FTCA as it has the potential to:
 - i. generate employment by the creation of an average of 40 FTE jobs over an 18-month period covering engineering, design and construction (section 19(d)(i))
 - ii. provide infrastructure that will contribute to improving economic and employment outcomes (section 19(d)(iv))
 - iii. assist to improve environmental outcomes for air quality by lowering the level of emissions generated from combustion of natural gas at the Ballance Kapuni Plant (section 19(d)(v))
 - iv. assist to improve environmental outcomes for air quality and assist New Zealand's efforts to mitigate climate change and transition more quickly to a low-

emissions economy (subject to a successful future transition to the use of the green hydrogen as a fuel in the transport sector) (section 19(d)(v) and (vii))

- v. progress faster by using the processes provided by the FTCA than would otherwise be the case (section 19(c))

Yes/No

- h) **Agree** to refer all of the Kapuni Green Hydrogen Project to a panel.

Yes/No

- i) **Agree** that for the purposes of clause 9(6)(c) of Schedule 6 of the FTCA the applicants are required to include the following information, prepared by suitably qualified and experienced persons, in any consent application lodged with the Environmental Protection Authority:

- i. A landscape and visual assessment which must include, but shall not be limited to, the following:

- photo montages (taken from a range of public vantage points and from a range of private properties beyond those immediately adjacent to the proposed wind turbine site), showing the scale of the proposed wind turbines in relation to views of Mount Taranaki
- assessment of the effects on sightlines of Mount Taranaki when viewed from sites of importance to Māori. The sites of importance to Māori shall be determined in consultation with Te Korowai o Ngāruahine Trust and Ngāruahine hapū

- ii. A cultural impact assessment prepared by or on behalf of the Taranaki Māori Trust Board as the collective representative of Ngā Iwi o Taranaki, or a statement of any reasons for not providing that assessment

- iii. An archaeological assessment

- iv. An ecological assessment which must include, but may not be limited to, consideration of the effects on indigenous vegetation, fauna, avifauna, aquatic ecology and local catchments

- v. A traffic impact assessment which must include assessment of the effects of large-scale vehicles transporting turbine sections

- vi. An acoustic assessment which must include, but shall not be limited to, construction noise, details of safeguards and contingencies in relation to noise and vibration effects, and monitoring and reporting methods

- vii. A shadow flicker assessment

- viii. Information to address the matters listed in Section 20.5.10 Significant Hazardous Facilities of the South Taranaki District Plan (Operative 22 January 2021), including a risk assessment report.

Yes/No

- j) **Agree** that a panel be required to invite comments from the following additional persons or groups under section 24(2)(e) of the FTCA:

- i. The six hapū of Ngāruahine:

- Ngāti Tū
- Ngāti Manuhiakai
- Kanihi – Umutahi
- Ngāti Haua
- Ngāti Tamaahuroa me Tītahi

- Ōkahu - Inuāwai
- ii. Ngāti Ruanui
- iii. Taranaki Māori Trust Board
- iv. Transpower New Zealand Limited
- v. Powerco Limited
- vi. Nova Energy Limited

Yes/No

- k) **Agree** to provide notice of the decision to refer the Project to:
- i. the Taranaki Māori Trust Board
 - ii. Ngāti Ruanui
 - iii. the four additional Ngāruahine hapū who will not already receive such notice under section 25(1)(b) the FTCA.

Yes/No

- l) **Agree** to the Ministry for the Environment issuing drafting instructions to the Parliamentary Counsel Office for an Order in Council to refer Kapuni Green Hydrogen Project to a panel in accordance with your decisions recorded herein.

Yes/No

- m) **Sign the attached (Appendix 4)** notice of decision to BTW Company Limited on behalf of Hiringa Energy Limited and Ballance Agri-Nutrients Limited.

Yes/No

- n) **Note** that the Ministry for the Environment is required to publish the decision, the reasons, and the section 17 report on the Ministry for the Environment's website as required by section 25(3) of the FTCA.

Signatures



Sara Clarke
Manager – Fast Track Consenting

Date: 18 February 2021

Hon David Parker
Minister for the Environment

Date:

Table A: Stage 2 - Project Summary Analysis

Project details	Project description	Does all or part of the Project meet the referral criteria in section 18?		Summary of comments received	Does the Project help achieve the purpose of the FTCA (section 19)?	Section 24 assessment
		Project eligibility for referral (section 18(3a - d))	Section 17 report – summary of key findings			
<p>Project name Kapuni Green Hydrogen Project</p> <p>Applicant Hiringa Energy Limited and Ballance Agri-Nutrients Limited (Ballance)</p> <p>Location 271 – 359 Kokiri Road, Kapuni, Taranaki (the PKW Farm) – site for the wind turbines.</p> <p>309 Palmer Road, Kapuni, Taranaki (the Ballance Kapuni Plant).</p> <p>Project options The applicant is proposing two options for underground electricity cable alignment between the PKW Farm and the Ballance Kapuni Plant, as follows:</p> <p>Option 1 – via 414 Kokiri Road, 15 Palmer Road and Kokiri Road legal road reserve.</p> <p>Option 2 – via unnumbered land on Palmer Road, Skeet Road legal road reserve, 1101 Skeet Road and 1128 Skeet Road.</p>	<p>To construct and operate a renewable hydrogen hub involving the generation of renewable electricity to provide baseload power to the Ballance Kapuni amonia-urea plant, and to produce green hydrogen from water via electrolysis at the plant. The resulting green hydrogen will be used as follows:</p> <ul style="list-style-type: none"> initially 100% by the Ballance Kapuni Plant by being combined with atmospheric nitrogen to produce green urea transition over a 10-year period to approximately 90% usage as a fuel for the transport sector as the hydrogen transport market develops. <p>Excess power generated by the wind turbines during peak electricity production will be fed into the national grid. This is expected to be approximately 11.9MW.</p> <p>The Project works involve the following activities:</p> <ul style="list-style-type: none"> Installation of four wind turbines with up to 24 MW of generation capacity on the PKW farm. The wind turbines will have a hub height of approximately 149m and a rotor diameter of 162m, 	<p>The Project is eligible under section 18(3)(a-d) as based on available information:</p> <ul style="list-style-type: none"> it does not include any prohibited activities it does not include land returned under a Treaty settlement the works do not occur in a customary marine title area or protected customary rights area under the Marine and Coastal Area (Takutai Moana) Act 2011. 	<p>The section 17 report identifies the matters in section 17(3) including the relevant iwi authorities.</p> <p>Full report attached at Appendix 5.</p>	<p>Ministers s 9(2)(f)(ii), s 9(2)(g)(i)</p>	<p>We consider the Project will help to achieve the purpose of the FTCA as the Project:</p> <ul style="list-style-type: none"> aims to generate employment by the creation of an average of 40 FTE jobs over an 18-month period covering engineering, design and construction (section 19(d)(i)) will provide infrastructure that will contribute to improving economic and employment outcomes (section 19(d)(iv)) will assist to improve environmental outcomes for air quality by lowering the level of emissions generated from combustion of natural gas at the Ballance Kapuni Plant (section 19(d)(v)) will assist to improve environmental outcomes for air quality and assist New Zealand's efforts to mitigate climate change and transition more quickly to a low-emissions economy (subject to a successful future transition to the use of the green hydrogen as a fuel in the transport sector) (section 19(d)(v) and (vii)) will progress faster by using the processes provided by the FTCA than would otherwise be the case (section 19(c)) <p>The Project has the potential for a range of adverse effects, including landscape and visual effects, noise and shadow flicker, effects on cultural values and effects relating to hazardous facilities.</p> <p>The Project is located on the volcanic ring plain surrounding Mount Taranaki which is of great traditional, cultural, historical and spiritual importance not only to local iwi Ngāruahine but to all the iwi of Taranaki (Ngā Iwi o Taranaki). The potential effects on cultural values and the relationship of iwi and hapū to Mount Taranaki will be a relevant consideration for a panel should you decide to refer the Project.</p> <p>Any potential adverse effects arising from the application and mitigation measures can be tested through a panel having regard to Part 2 of the RMA and the</p>	<p>s 9(2)(f)(ii), s 9(2)(g)(i)</p>

Project details	Project description	Does all or part of the Project meet the referral criteria in section 18?		Summary of comments received	Does the Project help achieve the purpose of the FTCA (section 19)?	Section 24 assessment
		Project eligibility for referral (section 18(3a - d))	Section 17 report – summary of key findings			
	<p>resulting in an overall maximum height of approximately 230m.</p> <ul style="list-style-type: none"> Construction and installation of electrolysis plant and hydrogen production infrastructure within Ballance's Kapuni Plant site. Construction and installation of hydrogen storage, loadout and refuelling facilities within the Balance Kapuni Plant site. Installation of underground power cables and associated buildings and structures to convey electricity from the PKW farm to the Balance Kapuni Plant. Associated works, including earthworks. 			<p>s 9(2)(f)(ii), s 9(2)(g)(i)</p> <p>Local authorities South Taranaki District Council (STDC) is supportive of the Project being referred to a panel and acknowledge the benefits including assisting to transition to a low-emissions economy, increasing employment and positively contributing to the local economy. STDC have highlighted a range of technical reports that should accompany consent applications to a panel and consider the most significant issues to be cumulative impacts in a high hazard area (the Ballance Kapuni site) and visual impacts. STDC notes that the Ballance Kapuni site may require a review of the petroleum activity risk contours and a revision of the concept plan for the Ballance Kapuni site contained in the District Plan. STDC has commented that the Project would be publicly notified if a resource consent application were made under standard RMA processes, however they consider that the FTCA provides an 'appropriate level of community input'.</p> <p>Late comments were received from Taranaki Regional Council (TRC). TRC is supportive of the Project proceeding through the fast-track process, citing the regional and national benefits. However, given the minor nature of the regional consent component TRC note that these consent applications could equally be processed under standard RMA processes as a non-notified consent.</p>	<p>purpose of the FTCA. A panel will consider whether overall the Project meets the sustainable management purpose of the RMA.</p>	<p>s 9(2)(f)(ii), s 9(2)(g)(i)</p> <p>In response to local authority comments, we advise:</p> <p>The applicant be required to submit a number of technical reports to a panel, including those that have been referred to by STDC.</p> <p>In response to comments from other parties, we advise:</p> <p>With respect to the comments from Te Korowai o Ngāruahine Trust:</p> <ul style="list-style-type: none"> as detailed above, we recommend that the applicant is required to submit a landscape and visual assessment to a panel which includes an assessment of the effects on sightlines of Mount Taranaki when viewed from sites of importance to Māori. The sites of importance to Māori shall be determined in consultation with Te Korowai o Ngāruahine Trust and Ngāruahine hapū we recommend technical reports require to be submitted to a panel also include an acoustic assessment and shadow flicker assessment with respect to concerns over the use of water from the Waingongoro River (one source of Ballance's current water take), we understand that TRC has now granted the applicant the required consents to vary the existing water permits to use the water for hydrogen production purposes. We are not aware of any additional water permits that will be required for the Project we acknowledge the concerns raised by Te Korowai o Ngāruahine Trust with respect to broader community involvement and we have identified a risk that referring the Project could be viewed negatively by wider community members who may have an expectation to be involved in the Project due to the scale of the wind turbines we agree it would be appropriate for a panel to invite comment from all six

Project details	Project description	Does all or part of the Project meet the referral criteria in section 18?		Summary of comments received	Does the Project help achieve the purpose of the FTCA (section 19)?	Section 24 assessment
		Project eligibility for referral (section 18(3a - d))	Section 17 report – summary of key findings			
				<p>Te Korowai o Ngāruahine Trust Te Korowai o Ngāruahine Trust support the Project in principle but note the following:</p> <ul style="list-style-type: none"> Concerns regarding potential visual, noise and flicker effects on marae and kura within the rohe of Ngāruahine. Concern over the use of water from the Waingongoro River. Even if there is an existing consent, the river is under allocation pressure and the preference would be for water rights to be relinquished and an alternative water source to be used. The fast-track process may not provide for adequate consideration of the community where many have a connection to the maunga, and may also be affected by flicker from the turbines. All hapū of Ngāruahine should be involved in the process. Concerns about the potential breadth of impact of the proposal on the landscape, and the potential pushback from the community if the RMA process is not followed and community notification is not undertaken. <p>Other parties Transpower New Zealand Ltd supports the application for referral and is not aware of any reason for it to be declined. It notes in particular that, provided appropriate management occurs including time to manage any thermal constraints, the Project would not be inconsistent with policy 10 (in particular) of the National Policy Statement on Electricity Transmission (section 23(5)(c) of the Act).</p> <p>Powerco Ltd is neutral on whether the Project should be referred. It however notes that no formal agreement is in place for connection to their network and that there are technical design challenges that would need to be resolved.</p> <p>Nova Energy Ltd has not commented on whether it supports or opposes referral but notes that it has ongoing involvement in Project conceptual/feasibility</p>		<p>Ngāruahine hapū and this is recommended.</p> <p>Transpower New Zealand Ltd, Powerco Ltd and Nova Energy Ltd were all invited to comment on this application for referral and we recommend that a panel be required to invite comments from these parties.</p> <p>Nova Energy Ltd have raised the matter of potential risks to their employees from a Ballance ammonia release to atmosphere and cumulative risks on their adjacent facilities. The comments from STDC have also identified the need to consider cumulative impacts in a high hazard area (near the Ballance Kapuni Plant site) and it is recommended that the applicant be required to provide information to a panel to address the matters listed in Section 20.5.10 Significant Hazardous Facilities of the South Taranaki District Plan, including a risk assessment report. Section 20.5.10 includes consideration of cumulative adverse effects with respect to other hazardous facilities in the area and the risk posed by the occurrence of natural hazards.</p> <p>With respect to the considerations under section 24(2) of the FTCA, no reasons have been identified in the consultation/assessment process to:</p> <ul style="list-style-type: none"> decline to refer the Project limit the scope of the Project by referring it only in part refer the application in stages place any restrictions on the Project impose specific timeframes for panel consideration. <p>While the Project has the potential for positive benefits it also has the potential for adverse environmental effects. The Project's potential effects could be assessed by a panel based on more comprehensive information and comments from invited parties. The assessment process can determine whether an application would promote Part 2 of the RMA and the purpose of the FTCA.</p>

Project details	Project description	Does all or part of the Project meet the referral criteria in section 18?		Summary of comments received	Does the Project help achieve the purpose of the FTCA (section 19)?	Section 24 assessment
		Project eligibility for referral (section 18(3a - d))	Section 17 report – summary of key findings			
				<p>evaluation with the applicant and Transpower. Nova Energy Ltd notes that design and commercial evaluation is in progress and it wishes to understand the risks to staff/people from an ammonia release to atmosphere at the Ballance plant, including if the ammonia risk profile will change as a result of the Project and what the cumulative risks may be to its adjacent facilities.</p> <p>We sought comment from Ngāti Tū and Ngāti Manuhiakai on this application but received no response.</p> <p>All responses received by parties invited to comment are attached at Appendix 6.</p>		<p>We recommend comments are invited under section 24(2)(e), in addition to those listed in clause 17, Schedule 6, from:</p> <ul style="list-style-type: none"> the six hapū of Ngāruahine: <ul style="list-style-type: none"> Ngāti Tū Ngāti Manuhiakai Kanihi – Umutahi Ngāti Haua Ngāti Tamaahuroa me Tītahi Ōkahu - Inuāwai Ngāti Ruanui Taranaki Māori Trust Board Transpower New Zealand Limited Powerco Limited Nova Energy Limited. <p>We recommend that you direct the applicant, under section 24(2)(d) of the FTCA, to provide information including assessments for cultural, landscape and visual, archaeological, ecological, traffic, noise, shadow flicker and significant hazardous facilities in an application submitted to a panel.</p>

Released under the provision of
the Official Information Act 1982

Schedule of Appendices and Attachments

Appendix 1 – Kapuni Green Hydrogen Project – Application form and further information received

Appendix 2 – 2020-B-070359 - FTC#29 – Application for referred project under the COVID-Recovery FTCA - Stage 1 decision on Kapuni Green Hydrogen Project and Aide Memoire

Appendix 3 – Statutory Framework for making decisions

Appendix 4 – Draft Notice of Decision letter to BTW Company Limited on behalf of Hiringa Energy Limited and Ballance Agri-Nutrients Limited

Appendix 5 – Section 17 Report

Appendix 6 – Comments received from Ministers, Local Authorities, Te Korowai o Ngāruahine Trust, Transpower NZ Ltd, Powerco Ltd and Nova Energy Ltd

Released under the provision of
the Official Information Act 1982