Ministry for the Environment
Manatū Mō Te Taiao

PROACTIVE RELEASE COVERSHEET

Minister	Minister Bishop	**Portfolio**	RMA Reform
Name of package	Phase 2 National Direction	**Date to be published**	18 December

List of documents that have been proactively released		
Date	***Title***	***Author***
14 November 2025	Regulatory Impact Statement: Proposed Amendments for Electricity Networks, 2025 amendments to NPS-ET 2008	Ministry for the Environment Ministry of Business, Innovation and Employment

Information redacted **NO**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

N/A

Ministry for the Environment
Manatū Mō Te Taiao

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Regulatory Impact Statement: National Policy Statement for Electricity Networks, 2025 amendments to NPS-ET 2008

Decision sought	*Final Cabinet decisions to amend the National Policy Statement on Electricity Transmission 2008 (NPS-ET) as part of the Phase 2 national direction programme.*
Agency responsible	*Ministry for the Environment and the Ministry of Business, Innovation and Employment*
Proposing Ministers	*Minister Responsible for RMA Reform and Minister for Infrastructure* *Minister of Energy*
Date finalised	*14 November 2025*

Proposal

This Regulatory Impact Statement (RIS) considers the regulatory impacts of proposed amendments to the National Policy Statement on Electricity Transmission (2008). These amendments are intended to provide policy direction to:

1. Recognise the national significance and benefits of the electricity network (EN)
2. Provide national direction for the electricity distribution network (EDN)
3. Enable routine work on the EN, in all environments
4. Manage the adverse effects of EN
5. Recognise and provide for Māori interests, and
6. Provide stronger protection of the EN.

As the NPS would provide direction for both the electricity transmission network (ETN) and the EDN, we propose that the NPS-ET be renamed as **National Policy Statement on Electricity Networks 2008 (NPS-EN).**

This RIS builds from the Interim Regulatory Impact Statement (national direction for electricity networks), issued in April 2025. Public consultation on the proposals was carried out between May and July 2025. This version of the RIS has been updated in light of the submissions received and subsequent decisions made by Ministers.

This RIS analyses six proposals associated with the enablement and protection of the EN in support of the Government's aims to transition to a low-emissions economy and facilitate greater energy security and resilience.

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

The overarching policy direction set in the NPS-EN will be complemented by amendments to the National Environmental Standards for Electricity Transmission Activities 2009 (NES-ETA), which will:

- include new provisions for the EDN
- include new rules to protect the ETN (also commonly known as the 'National Grid'), based on established National Grid Corridor provisions in district plans
- enable a wider range of routine work on the EN, in all environments, and
- new permitted activity standards for Electric Vehicle (EV) charging infrastructure.

The NES-ETA will be renamed as National Environmental Standards for Electricity Network Activities (NES-ENA). The proposed regulations in the NES-ENA are designed to operationalise the enabling policy direction set out in the NPS-EN. The Standards are essential to support the efficient operation, maintenance and upgrade of the EN by streamlining or removing consenting requirements for routine and critical activities. This regulatory simplification is necessary to ensure the EN can meet growing demand and support national electrification goals. The Government anticipates NES-ENA will be issued before the end of Q1 2026.

Summary: Problem definition and options

What is the policy problem?

The New Zealand Infrastructure Strategy (2022) states that the country's renewable electricity infrastructure (generation and transmission) needs to be rapidly expanded to meet future energy demand in a low-emissions economy. The current resource management system under the Resource Management Act 1991 (RMA) does not sufficiently enable and protect the EN to the degree needed to achieve the Government's objectives for electrification. The NPS-ET 2008 was developed before emissions reduction plans were introduced under the Climate Change Response Act 2002, so it is no longer fit for purpose.

Three policy problems have been identified in relation to planning for the electricity network:

Problem 1: The national significance and benefits of the EN are not sufficiently recognised in decision making.

Problem 2: Decision makers lack guidance to balance competing interests and environmental values with greater enablement of the EN.

Problem 3: Protecting the EN from the adverse effects of other incompatible activities is time consuming and more costly than it needs to be.

These problems are evidenced by:

- The time and cost of obtaining resource consents for major infrastructure projects has substantially increased over the past decade[1]
- Resource consent requirements are increasing the regulatory cost of routine activities, which are necessary to safely operate, maintain and upgrade the EN[2]

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

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

- There is considerable uncertainty and delays (sometimes including several rounds of litigation) to consent larger upgrades and new EN development. This has resulted in key EN projects being delayed or abandoned[3]
- Protection of the National Grid corridor has taken 17 years to be implemented in 70% of district plans[4] and has required Transpower to invest $14 million to date (with additional costs for councils). However, under-build within the corridor continues, limiting the ability to fully realise the benefits of the investment in the electricity network.

What is the policy objective?

The Government's overarching objective for this proposal is to better enable ETN and EDN activities to support the transition to a low-emissions economy, and to meet the longer-term needs of people, communities and the environment, while also managing adverse effects. Ministers agreed to specific objectives for this package, which can be referred to on pages 15-16 and 21-22.

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

This RIS builds from the Interim RIS: *National Policy Statement for Electricity Networks*, issued on 8 April 2025. Statutory consultation on the proposals ran for eight weeks from 29 May to 27 July 2025. This RIS has been updated in light of the submissions received and subsequent decisions by the Minister.

Scope of options considered: The scope of options was restricted to amending national direction under the RMA (ie, all were regulatory options). Previous consultations on amending NPS-ET were undertaken in 2019 and 2023 and included regulatory and non-regulatory options. Please see **Appendix A** for further detail on the options previously considered and the feedback received. The previous consultation informed these policy proposals.

Non-regulatory options are not feasible because the problem lies with deficiencies in the NPS-ET and require a statutory process under the RMA to fix the defined problems.

Cabinet agreed in May 2024 that the NPS-ET would be amended as part of the Phase 2 National direction programme [refers ECO-24-MIN-0065]. Following this decision, other regulatory and non-regulatory interventions have, therefore, not been considered within the scope of this RIS. The policy options we have considered are those that meet the policy intent of the coalition Government's objectives expressed in Electrify NZ,[5] and within what an NPS can legally do. The RIS simply analyses the policy options agreed by Ministers (Option Two) against the status quo as the first option.

The policy options proposed in the public consultation package in May 2025 have been developed in light of the Planning Bill and the Natural Environment Bill, which will replace the RMA. The intent of these reforms on the EN will carry over into the new system after enactment. However, pending further development of the Bills, these impacts are unable to be assessed at this point in time.

Option One summary – status quo

[3] See Appendix C for transmission case studies

[4] Based on an assessment by Transpower

[5] Next steps on Electrifying New Zealand | Beehive.govt.nz

Option One maintains the existing provisions of the NPS-ET. There is no national direction for the EDN. While many of the existing policies are still relevant, they are not sufficiently directive or enabling to achieve the intended objectives for the EN.

Option Two summary – preferred option

Option Two includes amendments to NPS-ET to include direction for the EDN, thereby covering the full extent of the EN. The proposals:

- strengthen the objective and policies for EN to elevate its national significance while managing adverse effects on the environment, and
- enable routine activities on the EN (such as maintenance and upgrades) and update policy to protect EN from incompatible third-party activities.

Six proposals are outlined in this RIS:

	Option Two Proposal	**Policy Problem**
1	Recognising the national significance and benefits of the electricity network	1
2	Providing national direction for the electricity distribution network	1
3	Enabling routine work on the electricity network, in all environments	2
4	Managing the adverse effects of electricity networks	2
5	Recognising and providing for tangata whenua interests	2
6	Providing stronger protection of the electricity network	3

Potential impact of Option Two

The proposals are intended to have immediate effect on resource consent decisions. Upon the NPS-EN coming into force, council planners must have regard to, subject to Part 2 of the RMA, the NPS-EN when making decisions on resource consents (section 104 of the RMA), private plan changes and notice of requirements.

Officials anticipate the proposals in Option Two will:

- provide consistently greater enablement and protection of EN infrastructure across the planning system than the status quo
- reduce the time and cost associated with RMA planning and consenting processes (particularly for existing infrastructure), and
- reduce the risk of litigation for new EN development.

Option Two will not eliminate all uncertainty for development in areas with significant environmental values. Decision-makers will still be required to address competing priorities between the relevant national direction instruments as well as local or community interests. However, the proposals will provide greater direction to decision-makers to enable EN projects when considering discrete consent applications.

What consultation has been undertaken?

In 2024 officials carried out targeted engagement with Transpower and other stakeholders, including electricity sector representatives and other organisations (New Zealand Planning Institute, Resource Management Law Association, local government practitioners and environmental NGOs) to develop our understanding of the problem definition and to support the refinement of the proposals.

In May 2025, The Government released a discussion document on the proposals as part of the Phase 2 national direction programme.[6]

The key themes from consultation are broad support for:

- applying national direction to the EDN
- recognising the national significance and benefits of the EN and key parts of the EDN
- providing direction for Māori interests, and
- providing for EN in spatial planning processes.

There were differing views on the proposals to strengthen support for EN activities in areas with sensitive environment values. The electricity sector prefers policies that:

- give greater weight to the benefits of EN and its role in supporting electrification, resilience and energy security, and
- elevate EN priority if required to operate in areas with significant environmental values.

However, many environmental NGO's and councils thought the proposals were too enabling and prefer policies that protect:

- areas with section 6 RMA values by avoiding those areas entirely
- local input in route planning processes.

Māori groups had concerns on the proposals to enable EN in areas with significant environmental values but did support maximising the use of existing infrastructure, early engagement with tangata whenua and protection of sites of significance to Māori.

A summary of consultation feedback is set out in pages 22 to 24, with further detail provided in the Stage 2 Submissions summary and recommendations for *Infrastructure and Electricity*.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?
Yes.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Potential impact of proposed amendments
The main monetised costs (compared to the status quo) relate to implementation costs and opportunity costs. Non-monetised costs are environmental, social and cultural.

RMA decision-makers will implement the intent of the NPS-EN by making decisions on resource consent applications, private plan changes and notices of requirement. This requirement will impose costs on local government/consent authorities, although these costs are likely to be partly recoverable by the consent authority. EN providers, iwi/Māori, external parties (including individuals and local communities) may face additional costs if they become involved in making comments or providing evidence in relation to impacts on sites of significance, sensitive activities and natural environmental values.

Opportunity costs persist in terms of lost opportunity to provide greater enablement of the EN than what was pursued. In particular, the Minister Responsible for RMA Reform chose to defer addressing effects of EN on areas that are matters of national importance (section 6) and other matters covered by other national policy statements, in the new system. However, additional risks (and therefore costs) could arise from this approach, in terms of additional uncertainty and possible litigation. In addition, such opportunity costs are likely to be short-lived as further

[6] Package 1: Infrastructure and development – Discussion document | Ministry for the Environment (May 2025).

amendments through the replacement legislation will address some of the potential uncertainties and risks.

There are likely to be non-monetised costs to the local environment and communities hosting EN infrastructure, particularly if required to locate in natural areas and sites of cultural significance or where there are cumulative EN lines operating in an area. The policy proposals aim to strike a balance between the need for increasing the capacity of EN with the potential for adverse effects, particularly where there are impacts on values recognised as matters of national importance.

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

There are potential non-monetised costs to iwi/Māori from the policy proposals. There was limited engagement prior to public consultation with a few interested Māori groups (Post Settlement Governance Entities (PSGEs), some iwi and Te Tai Kaha), further engagement was recommended with iwi/Māori in order to meet the Crown's obligations as some Treaty settlement legislation specifically requires that local iwi/Māori are provided decision-making opportunities on matters that are addressed in the settlement legislation. Many iwi/Māori groups submitted on the proposals through the public consultation process, which has assisted MfE in meeting the Crown's obligations.

Benefits (Core information)

Potential impact of proposed amendments

These proposed amendments provide greater protection and enablement of EN infrastructure and activities across the planning system. For example, the amendments to provide greater protection of the ETN by including corridor policy in the NPS and corresponding regulations in the NES-ENA. This will significantly reduce the regulatory burden for both Transpower and councils and achieve a more consistent approach nationwide for less cost to the system.

The amendments to enable routine activities on existing EN infrastructure, in accordance with NES-ENA, should also reduce regulatory and system cost to EN providers and councils, while continuing to manage adverse effects of EN on the environment.

The enabling provisions are intended to facilitate greater capacity in the EN by ensuring the national significance and benefits of EN activities are recognised and provided for in decision-making. They are supported by amendments to functional and operational need to locate in particular environments and more comprehensive effects management policies. The precise impacts will play out on a case-by-case basis in consent decision-making. As such it is not possible to quantify the costs and benefits.

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

Balance of benefits and costs (Core information)

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

Do the benefits outweigh the costs when considering quantitative and/or qualitative evidence?

There is insufficient quantitative or qualitative evidence to accurately determine the extent to which the proposals will enable an increase in EN activities (and therefore the cost/benefit ratio).

Delivery of EN infrastructure is dependent on many factors outside of the RMA, including regulatory approval for investment proposals under the Commerce Act 1986. This is a limitation to achieving the Government's objectives. However, the proposals will provide greater direction to decision-makers to protect the EN, enable essential maintenance and upgrade work (in conjunction with NES-ENA) and also provide for new EN projects when considering applications for resource consent and notices of requirement. The proposal is therefore an improvement on the status quo but will not completely resolve the underlying issue of conflicting national direction.

How will the benefit – cost ratio change over time?
(as above).

If you are unable to make a judgement on the balance of benefits and costs, why is that?
(as above).

Implementation

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

Who will be responsible for ongoing operation and enforcement of the new arrangements?

The proposal will issued by gazettal and will be implemented by council decision-makers (or by the Environment Court on appeal or direct referral).

What are the implementation risks (including possible unintended consequences) and how will the risks be mitigated?

Implementation is ordinarily prescribed by statutory process. However, due to the government's 'plan stop' amendments to the RMA, the proposed amendments will be applied by decision-makers on resource consents, designations and private plan changes only. The NPS provisions are also relevant to decision-making on applications made under the Fast-Track Approvals Act 2024. This may limit the overall impact of the proposals to enable specific projects.

No further plan processes are required to implement the proposals; therefore, implementation risks are low.

When is it planned to come into effect? Will transitional arrangements be required?

The NPS-EN will come into effect 28-days after gazettal, with no transitional arrangements required. Officials anticipate that NPS-EN will be issued by the end of 2025 and the NES-ENA in 2026.

Limitations and Constraints on Analysis

There have been challenges with gathering evidence and quantifying the impacts

In May 2024 Cabinet took decisions on a proposed work programme to amend a suite of national direction instruments, including NPS-ET and NES-ETA. These decisions determined the scope of intervention to address the problem definition. The options considered in this RIS are compatible with Cabinet's decision.

<u>Cost benefit analysis</u>

This RIS includes a qualitative cost benefit analysis of the options. This was informed by evidence about current problems provided by the electricity sector, case law and stakeholder feedback on the options. Officials have been unable to evaluate all the quantifiable impacts associated with these proposals because there is little monitoring undertaken by agencies on the number, nature and costs of consents for electricity network activities.

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

required in distribution to support electrification. However, its inclusion was generally supported by submitters.

Please refer to page 20 and **Appendix D** to see more details on the limitations and constraints of this analysis.

Consultation

The cumulative impact of these proposals alongside the full suite of other proposals included in the national direction work programme has not been fully considered. Work to date has focussed on ensuring integration with the National Policy Statement for Renewable Electricity (NPS-REG) and the National Policy Statement for Infrastructure (NPS-I) and alignment with other instruments, for example NPS-Natural Hazards and NES-Minor Residential Units.

The public consultation process (from 29 May to 27 July 2025) was used to better understand the costs and benefits, and to tackle implementation challenges, associated with the proposals.

Treaty of Waitangi considerations

The statutory consultation period included engagement with PSGEs and other iwi/Māori groups who expressed interest in the NPS-EN and support for the inclusion of a policy on Māori interests and engagement where EN activities impact sites and values of cultural significance. Key concerns expressed were the impact on taonga in section 6(e) and other sites and values of significance to Māori, and upholding Treaty settlements and other arrangements.

A Treaty Impact Analysis (TIA) has been undertaken on the proposals to amend the NPS-ET. A summary of the key findings is set out below.

Treaty Impact Analysis – Summary

The proposals include requirements for decision-makers regarding Māori rights and interests. These are intended to ensure that the views of tangata whenua taken into account in decision making, that sites and issues of cultural significance are identified through consent processes, and EDN opportunities for Māori enterprise are enabled.

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

In terms of giving effect to RMA section 8, the proposals are an improvement on NPS-ET, which does not include specific polices on Māori values, aspirations and engagement.

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

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

Signature

Michael Tucker
Manager – Infrastructure policy
Ministry for the Environment

12 November 2025

Signature

Daniel Brown
Manager – Electrify New Zealand
Ministry for Business, Innovation and Employment
14 November 2025

Quality Assurance Statement

Reviewing Agencies: MfE, DoC	**QA rating: partially meets**

Panel Comment:

The Regulatory Impact Analysis (RIA) panel (Ministry for the Environment and Department of Conservation) has reviewed the Regulatory Impact Statement "National Policy Statement on electricity networks 2025 (amending and renaming the NPS-ET 2008)" and considers that it partially meets the RIA requirements.

"A quality assurance panel with members from the Ministry for the Environment and Department of Conservation has reviewed the Regulatory Impact Statement. The panel considers that it **partially meets** the Quality Assurance criteria.

The panel acknowledges significant improvements that have been made to the RIS to make it clearer, more complete, and responsive to public consultation and the panel's comments. The RIS is comprehensive and outlines the policy problems and objectives. However, the proposal's ability to fully resolve these issues is less convincing because the options considered were limited by scope and previous decisions. Despite these challenges the authors have done well to acknowledge the limitations."

Glossary

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

CMA – Coastal Marine Area

Designation – a planning provision in a district plan that identifies a specific area of land for a public work or project and protects that land from other uses that would prevent the proposed project from proceeding. It is a tool used by "requiring authorities", such as government bodies or network utility operators, to authorise their works without needing land use consents from the territorial authority

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

EDN – means the electricity distribution network that:

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

EMF – Electric and Magnetic Fields

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

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

ENA – Electricity Networks Aotearoa, who are the representative body for the 29 EDBs

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

ETN – means the electricity transmission network that:

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

Functional need – has the meaning set out in the National Planning Standards 2019 and 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

HVDC – High Voltage Direct Current

ICNIRP 2010 – International Commission on Non-Ionising Radiation Protection guidelines 2010

National Grid – A common name for the ETN, which is owned and operated by Transpower New Zealand Limited. See *Appendix B* for map of the network

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

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

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

NPS-ET – National Policy Statement for Electricity Transmission 2008

NPS-EN – National Policy Statement for Electricity Networks 2008 (amended December 2025)

NPS-I – National Policy Statement for Infrastructure

NPS-REG – National Policy Statement for Renewable Electricity Generation

Notice of Requirement – a formal application by a 'requiring authority' (for example a local council or network utility operator) to designate a specific area of land for a public work or project

NZCPS – New Zealand Coastal Policy Statement 2010

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

ONFL – Outstanding Natural Feature or Landscape

Operational need – has the meaning set out in the National Planning Standards 2019 and 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

PSGE – Post-Settlement Governance Entity

REG – Renewable Electricity Generation.

RMA – Resource Management Act 1991

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

WHO – World Health Organisation

Section 1: Diagnosing the policy problem

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

What are the components of the electricity network?

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

2. In New Zealand, the National Grid, owned and operated by Transpower, is the main transmission network that spans across the North and South Island. Transpower's transmission lines carry electricity (up to 350 kV) traversing over 11,000km, supported by 25,000 towers, 15,000km of access tracks and over 170 substations. Crossing the Cook Strait is the critical inter-island High Voltage Direct Current (HVDC) cable running 534 km from Lake Benmore Station on the Waitaki River to Haywards Substation, north of Wellington.[7] A key element of Transpower's operations is the telecommunications network of 300 sites, which help to co-ordinate the operations of the National Grid. See **Appendix B** for a map of Transpower's lines.

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

The electricity network has some unique characteristics

4. In New Zealand, electricity generation has historically been distant from city centres where electricity demand (load) is greatest. This has resulted in lengthy transmission lines between larger population centres in the North Island, and bulk hydroelectricity generation in the South Island.[8]

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

6. The nature of electricity generation and transmission is changing with technological advancements. We anticipate that REG feeding directly into the EDN will increase, with the benefits of greater community resilience and reducing excessive demand on the National Grid. Demand side management tools[9] will also be useful to adjust consumption behaviour to match environmental conditions (eg, rainfall, wind speed and sunshine levels) and electricity supply.[10]

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

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

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

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

Electricity Transmission

7. The ETN has some unique characteristics that create its own set of unique challenges and adverse environmental effects. Many of these characteristics also apply to the EDN, and include:

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

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

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

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

8. The vast majority of Transpower assets are located on privately owned land; however, most of their overhead infrastructure is unprotected by designations or easements. In most cases Transpower relies on rights to lawfully occupy and, subject to certain processes under the Electricity Act 1992, access and operate its infrastructure.[11]

Electricity networks need to upscale, and soon

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

9. The Government published the second Emissions Reduction Plan (ERP2) in December 2024, with electrification featuring as a key component to deliver a low-emissions economy.[12]

10. Delivering on the New Zealand Government's climate goals[13] will require whole sectors of the economy to shift to REG, requiring a corresponding upscaling of the EN to support increases in both consumer demand and generation supply.

11. Total electricity demand is expected to grow between 35.3% and 82% by 2050.[14] If current trends continue, modelling indicates that 9.4GW (95% increase) of new generation capacity will be required by 2050 to meet future demand. In the short term, the commercial and industrial transition will drive this growth but towards late 2030s, demand growth will be driven by the uptake of Electric Vehicles (EVs).[15]

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

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

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

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

15 Ibid. pp. 39-40.

12. To achieve these commitments, the Government has committed under its Electrify NZ programme to double REG and enable EN by removing consenting barriers and making consenting faster and cheaper for this priority infrastructure.

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

Increased levels of EN investment are planned

14. Transpower and the EDBs continue to experience a high volume of enquiries[16] to connect to the EN. In 2024 Transpower received Commerce Commission approval for an increased level of investment to support electrification and REG.[17]

15. To meet electrification demands, Transpower estimated that by 2035 it will require:[18]
    a. 60-70 new grid connected generation and grid-scale battery projects[19]
    b. 30 connections to accommodate increased electricity demand (load connections), and
    c. 10 to 15 new transmission interconnections and other network investments needed to enable energy to reach consumers.

16. Much of the National Grid was developed in the 1920s, and between the 1950s and 1970s.[20] Due to the age of the assets, Transpower has forecast an increased level of maintenance, upgrades and replacements in the next five years to modernise the ETN and maximise operating capacity to meet additional demand.[21]

Key features of the regulatory system currently in place

17. The electricity sector is regulated under several different laws, including the Public Works Act 1981, Electricity Act 1992, Commerce Act 1986, as well as the RMA.

18. The RMA promotes the sustainable management of natural and physical resources and sets rules and requirements to manage the effects of activities on the environment. The EN contributes to the purpose of the RMA by enabling present and future generations to provide for their wellbeing through the consumption of electricity. However, the RMA does not consider the EN a matter of national importance under section 6. The RMA includes provisions specific to EN infrastructure, including requirements on local authorities to plan for EN infrastructure, designations, consent duration and links to land acquisition powers under the Public Works Act 1981.

19. RMA decisions are usually the responsibility of local authorities, through regional policy statements, regional and district plans (RMA plans), and resource consents. Plans and

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

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

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

[19] TP_Sub_Resource_Management_Consenting and other_Amendments_Bill_10Feb2025.pdf

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

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

decision-making approaches with respect to EN infrastructure vary from council to council. EN providers who are also requiring authorities have a decision-making role in the RM system via the designation process.

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

21. Many national direction instruments seek to protect natural environmental values. Policies affecting EN infrastructure differ from instrument to instrument and must be read alongside the NPS-ET. Over time the NPS-ET has become relatively weaker as more directive national policy has been developed, for example National Policy Statement for Freshwater Management 2020 (NPS-FM) in relation to EN activities in or near waterbodies or wetlands. Additionally, the New Zealand Coastal Policy Statement 2010 (NZCPS) applies several avoidance policies to prevent adverse effects from occurring in the coastal environment. Since the *King Salmon* decision,[22] 'avoid' and other uses of directive language have been afforded higher legal weighting in decision making, with potential to create consenting barriers for EN activities in the coastal environment, despite operational need at times.

The role of national direction

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

23. The Government issued NPS-ET in 2008 to:
    a. recognise the ETN as a matter of national significance
    b. empower decision makers to consider the benefits of the ETN, and
    c. identify constraints to ETN development.

24. There is no national direction under the RMA for the EDN.

RM Reform and Electrify NZ work programme

25. In April 2023 the previous Government released an exposure draft of a proposed NPS-ET and proposed amendments to NES-ETA in public consultation to strengthen national direction on REG and ET.[23] The development of both instruments was suspended upon the change of government and the initiation of the Electrify NZ work programme.

26. The Government has committed to delivering Electrify NZ policy.[24] Electrify NZ seeks to deliver:
    a. significantly accelerating decision-making compared to the status quo
    b. national direction that delivers a more certain outcome than the status quo
    c. increased likelihood of consents being granted for REG and ET compared to the status quo, and

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

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

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

d. reduced need for consents for transmission infrastructure and most new infrastructure[25].

27. The Government is also delivering on resource management related Electrify NZ proposals through the Fast-Track Approvals Act 2024, Resource Management (Consenting and Other System Changes) Amendment Act 2025 as well as this Phase 2 national direction programme. This work programme contributes to the delivery of Electrify NZ by updating the suite of national direction (including NPS-REG, NPS-ET and NES-ETA).

28. The Fast Track Approvals Act provides an alternative consenting pathway to facilitate the delivery of infrastructure with significant regional or national benefits. The legislation lists two transmission projects that will be referred straight to expert panels for determination. The Government's intent is to reduce consenting barriers and timeframes to provide greater investment certainty for significant infrastructure projects. The NPS-EN complements Fast Track and is a relevant consideration in decisions under that process.

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

29. The range of legislative reforms underway will have benefits for EN infrastructure but it is generally accepted that it will not address the three problems officials have defined in the problem definition section.

30. Currently, resource management processes take too long and cost too much to enable the investment in EN at the pace and scale required to support both new generation and increased consumer demand for electricity as sectors of the economy electrify (for example, transport and industrial heat conversion).

31. Consenting uncertainty, costs and delays for EN projects have increased over the last decade and further increases are projected as the volume of EN activities continue to expand to meet increased demand and REG output. The cost of consenting has increased by 70 percent (as a proportion of the project's budget) over the past 7 years.[26] This data covers all types of infrastructure but we have interpreted it to be relevant to transmission. Transpower has provided evidence that the existing suite of national direction can lead to consenting processes (for existing and new assets) that are complex, lengthy, costly and uncertain and there is no evidence that NPS-ET has reduced the number of ETN consents issued nor improved the pace of consenting decisions.[27]

32. Transpower has forecast an increased level of maintenance and upgrades during 2025-2030, due to the age of its assets, with a need for the NPS to better enable the expanded work programme. In addition, work on the EN is required to increase its resilience in the face of climate change and energy security threats.

33. **Appendix C** outlines two case studies where ETN proposals have encountered challenging resource management contexts that illustrate how conflicting national priorities can lead to the significance and benefits of the EN not being fully realised:

a. *Future Queenstown Line* – a second transmission line is required for resilience and would traverse through sensitive environments and areas mapped as Outstanding Natural Landscapes (ONL) (section 6(b).

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

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

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

b. *Hairini realignment project* - illustrates how the NPS-ET has been insufficiently directive in enabling upgrades or line deviations due to the effects on coastal ONLs, protected by strong avoidance policies in the NZCPS, or sites of significance to Māori (section 6).

What is the policy problem or opportunity?

- NPS-ET is not fit for purpose to enable EN to be maintained and built at the pace and rate required to meet the Government's climate change and renewable energy targets.
- The key issues have been canvassed by numerous reports and inquiries, including Government evaluations, the Climate Change Commission[8] (and its predecessor the interim Climate Change Committee),[9] the Productivity Commission,[10] Te Waihanga (Infrastructure Commission)[11] and the Electricity Authority.[12,13]
- Ministry for the Environment (MfE) and Ministry for Business, Innovation and Employment (MBIE) have identified three key problems with the status quo:

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

34. The NPS-ET was developed before New Zealand legislated targets for reducing greenhouse gas emissions under the Climate Change Response Act 2002. Electrification of the economy is an important driver in decarbonising New Zealand's energy system. New Zealand needs to carry out significantly more EN activities in the years leading up to 2050 to meet climate targets, resilience and growth in electricity demand.

35. The original intent of the NPS-ET is now outdated in the context of modern NPS drafting, recent case law interpretations of national direction and the need to prioritise EN to tackle energy and climate-related challenges.

36. The NPS-ET does not sufficiently direct decision-makers to recognise and provide for the national significance of EN activities, the full range of EN benefits nor does it contain direction on key consenting matters.

37. Without this explicit recognition, operators are required to demonstrate the national significance and benefits of their proposals in each application, adding to unnecessary regulatory compliance.[28] This leads to high legal costs and uncertainty, projects being declined, delayed, sub-optimally designed, or never applied for, or approved with increasingly onerous conditions.

38. The nature and scale of EN infrastructure can create local environmental effects (some of which can be significant) but result in benefits that scale nationally. The status quo undervalues the national and community need for and public benefits of EN, relative to its adverse local effects.

Electricity distribution

39. There is no national direction for the EDN, posing a policy gap for the energy system. Consequently, planning decisions fail to recognise the EDN with the same degree of national significance as the ETN. This despite its integral role as part of the EN, central in delivering electricity to end consumers.

40. The different scales and types of distribution infrastructure require specific approaches. Higher voltage EDN assets (eg, 110kV sub-transmission assets) are similarly scaled to ETN

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

assets, with associated consenting complexities, challenges regarding route selection and limitations to minimise adverse effects. Lower voltage EDN assets, such as those found on local streets, are typically well enabled within the road reserve but face similar constraints to the ETN where lines must cross private property.

41. Without national direction that recognises the significance of the EDN and provides for its benefits, EDBs may be hindered to meet electricity demand and supply, particularly in the short to medium term. Distribution infrastructure serves a relatively large area with many sources of demand.

Problem 2: Decision makers lack guidance to balance competing interests and environmental values with greater enablement of the electricity network

42. The NPS-ET includes outdated, incomplete and unclear direction about how to manage the interactions with the natural environment while enabling EN activities to a further extent. Existing provisions for managing environmental effects have created several difficulties:

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

43. In addition, since 2008, new and more directive national direction has come into force. In combination with an RMA purpose that does not explicitly recognise EN and its benefits, the development of national direction elevating environmental protection and values (such as coastal environment, natural inland wetlands) in the recent past has inadvertently led to the NPS-ET becoming relatively weaker, as stronger direction to avoid activities in certain areas has been included in other NPS. This has created complexity for decision makers, who must interpret national direction which at times can be conflicting.

Māori interests

44. The NPS-ET does not include policy that recognises and provides for tangata whenua interests. This lack of direction creates uncertainty in consent decision-making. Sites of significance to Māori include wāhi tapu and cultural heritage and is a matter of national importance under section 6 of the RMA. These sites are often not mapped and therefore engagement with tangata whenua is important to identify them.

Electric and magnetic field provisions need updating

45. The NPS-ET includes policy to require that public exposures to EMF are based on the international recommendations for non-ionising radiation protection set in 1998.[29] The international recommendations were since revised in 2010. It is important that New Zealand conforms with current international guidelines and that these are kept up to date in our domestic regulations as a matter of good regulatory practice.[30]

Problem 3: Protecting the electricity network from the effects of other incompatible activities is more time consuming and costly than it needs to be

46. Despite policy 11 of NPS-ET requiring councils to manage adverse effects from third parties on the National Grid, some spans of the Grid remain unprotected and under-build continues to be a problem. This has resulted in significant cost and delay to protect the ETN.

47. To date, 70% of district plans have implemented the National Grid corridor policy.[31] A remaining 27% of councils have commenced a process to give effect to Policy 11. Councils reported in 2019 to agencies that implementation of policy 11 has been challenging and one of the costlier aspects of NPS-ET implementation.[32] This policy implementation has also come at the cost of $14M to date for Transpower.

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

> *"despite the NPSET being gazetted some 10 years ago under-build and inappropriate development continues to occur under and around National Grid assets*" [Transpower, 2019].[33]

49. Without a comprehensive and direct framework, third parties can establish new activities in close proximity to electricity lines, adversely impacting both the network and the people or property that have encroached into the National Grid Yard.

50. The key adverse effects are described below:

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

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

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

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

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

[33] Ibid. p.23.

Electrical safe distance Code of Practice does not provide full coverage

51. The New Zealand Code of Practice for Electrical Safe Distances (NZECP:34) sets minimum safe electrical distance requirements for EN. There are local issues regarding the visibility and variable compliance with NZECP:34, affecting the efficacy of policy 11. There are also limitations regarding how NZECP:34 can implement policy 11 because it is not a planning instrument and does not provide for the full range of activities that require setback from an electricity line or its support structures (ie, subdivisions cannot be managed through NZECP:34) and it does not distinguish between 'sensitive activities' and other activities that pose less risk to the EN.

Evidence base, limitations and assumptions

52. The primary sources of evidence of the problem are summarised in **Appendix C** and include case law, government and sector reports and input during engagements on resource management reform and national direction in the last three years.

53. More recent pre-consultation engagement on the current proposals included electricity sector representatives, as well as local government practitioners, New Zealand Planning Institute, Resource Management Law Association and the Resource Management Reform Group to provide evidence, and test our understanding of the problem, and options for solutions. Please refer to **Appendix A.**

54. There is a lack of quantitative evidence to support the problem definition due to two reasons:

    a. There are information gaps in the consent data collected and held in the national monitoring system, so officials do not have a comprehensive breakdown of consents by transmission or distribution, and

    b. Transpower has not constructed a significant new ET line since the 186km Whakamaru North-Brownhill Road transmission line commissioned in 2012 (part of the North Island Grid Upgrade project). The planning process was complex, lengthy and contentious, involving nine local authority jurisdictions, a Board of Inquiry decision-making process, use of the RMA Ministerial call-in decision-making powers (Part 6AA of the RMA) and High Court challenges. The project illustrates the complexities of developing linear infrastructure projects under the RMA.

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

Who is affected by the problems?

Who	How
Regulated Groups	
Transpower and the EDB's	Increased costs associated with developing new lines and undertaking work on existing assets in sensitive areas. Includes time and resources required to tailor projects and develop expert reports to multiple councils on the same matter. Uncertainty of project outcome and inability to undertake work necessary to the upgrade and modernise the network. Significant cost to ensure national consistency for works on the same asset type. Engaging in numerous planning processes, repeating and restating evidence.

Regulators	
Consent authorities	Re-assess the effects and benefits of individual applications, rather than considering the effects and benefits of EN and activities across their district and in relevant zoning areas. Being party to ongoing challenges and litigation of planning decisions. Resolving conflict and inconsistencies between national direction instruments. Time consuming and complex consenting processes, even for applications with known effects.
Others	
Housing and development sector	Major urban and transport developments require timely new EN services and / or realignment of existing EN.
Industry	Customers of EN services, will require upgrade and development of EN to enable electrification of processes e.g. process heat manufacturing.
Renewable electricity generators	Require capacity of the network to be available and timely connections to occur. Delivery of REG projects is contingent on getting access to the network. Impacted by regulatory uncertainty to provide connections.
Communities	Engaging in numerous planning processes, repeating and restating evidence. Customers of EN services.
Private property owners	Uncertainties around what EN services may or may not be provided. Engaging in numerous planning processes, repeating and restating evidence. Private property rights may be curtailed by EN services e.g. land under or near transmission lines.
Iwi / Māori	Engaging in numerous planning processes, repeating and restating evidence. Investment interests in REG may be restricted by access to EN.
Future generations	Individual consent decisions may lead to ad hoc decisions that don't adequately consider cumulative effects or the integrated nature of electricity networks with the economy, community and quality of life.

What objectives are sought in relation to the policy problems?

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

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

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

    a. better enable ET and ED activities to support climate transition and resilience
    b. make efficient use of and better protect existing generation capacity, networks and infrastructure
    c. enable new electricity transmission and distribution activities to a higher degree than the status quo
    d. enable the ongoing protection, operation, maintenance and upgrading of existing transmission and distribution activities
    e. reduce unnecessary compliance costs for Transpower, distributers and councils

- provide for Māori interests through engagement and protection of sites of significance.

How do the suggested objectives address the problems identified?

59. The objectives would ensure:

- the wider economic and social benefits of electricity networks are consistently recognised across planning instruments and in decision-making, and
- a streamlined and nationally consistent approach to protecting the EN for the adverse effects of nearby development, undertaking routine maintenance, upgrades and development that reduces consent barriers for EN projects.

What consultation has been undertaken?

Summary of engagement prior to public consultation

- Draft amendments to the NPS-ET and NES-ETA were publicly consulted in 2023.[34] These amendments strengthened the policies and objectives in the NPS, giving greater weight in consenting to matters such as the benefits of ET and the role of ET in supporting an increase in REG.
- Feedback from this consultation has informed the NPS-EN proposals that are addressed in this RIS. In particular, a key message from this consultation was that the NPS proposals were unlikely to have a significant effect on EN consenting without better integration and alignment across relevant national direction, in particular biodiversity, freshwater and coastal management.

60. However, in some respects the outcomes of the previous consultation have been superseded by the narrower scope outlined above. As a consequence, more detailed feedback has been provided on the remaining policy proposals in the current national direction package.

Engagement with the Electricity Sector

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

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

Engagement with iwi / Māori

63. During the policy development phase there was limited engagement with Treaty partners to inform the proposals. PSGE's had the opportunity to attend a webinar and additional individual online engagements were held with Ngai Tahu (29 October 2024), Te Tai Kaha (31 October 2024) and Tairāwhiti and Te Matau-a-Māui iwi (8 November 2024).

64. Engagement with Māori highlighted the importance of REG and EN to meet climate change and economic development goals. Key concerns raised were the impact of the proposals on the obligation to recognise and provide for the matters in section 6(e) of the RMA. Additional concerns were raised about the historical decision-making to locate EN infrastructure on or near sites of significance to Maori and the risk of perpetuating those decisions.

Engagement with local government

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

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

Engagement with NGOs and RM practitioners

66. MfE and MBIE also met with the New Zealand Planning Institute (NZPI), Resource Management Law Association (RMLA) and the Environmental Defence Society (EDS). Feedback related to support for including distribution and maximising existing infrastructure through enabling upgrades. There was also support for smaller-scaled distributed generation to reduce requirements for larger projects and ET infrastructure with likely greater adverse effects on the environment. These groups were strongly in favour of enabling the benefits of spatial planning (this is included in replacement RMA legislation).

Summary of 2025 public consultation and iwi/Māori engagement

67. Public consultation on amendments to a suite of national direction instruments ran for eight weeks from May 29 to July 27, 2025. This included consultation on NPS-ET as well as amendments to the NPS-REG, NES-ETA and a new NPS-I. Alignment between these instruments has been sought wherever possible and appropriate.

68. The consultation included a series of public webinars, PSGE webinars and additional sector-based forums which covered instrument specific amendments in more detail.

69. Many submissions sought amendments to the proposals, either specifically in relation to the NPS-EN or in conjunction with NPS-REG and NPS-I. Submitters included the electricity sector, local government, professional bodies, environmental NGOs, iwi/Māori, recreational bodies, and individuals.

70. Many submitters supported the need for change, particularly in relation to including the EDN in national direction. Submitters emphasised the importance of recognising the EN's national significance and its role in supporting energy security, climate mitigation and resilience. However, views were mixed on how the proposals would interact with sensitive environments, with some expressing concern about potential environmental impacts and reduced level of community input.

71. Many submitters supported including policy direction for Māori interests in NPS-EN and most hapū/iwi/Māori groups and some councils sought further direction on engagement, Treaty settlement interactions, mechanisms for assessing cultural effects and enabling Māori rights, interests and aspirations in the energy sector.

72. Engagement with PSGE's identified support for ensuring protection of sites of significance, providing for early input to local resource management policies and participation in decisions and conditions to reflect the status of Māori as Treaty partner.

73. Further discussion on the submissions is included below in relation to specific policy shifts and in the Submissions and Recommendations Report provided to the Minister Responsible for RMA Reform.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to address the policy problem?

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

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

	Are legislative requirements clear and able to be applied consistently and fairly by regulators? Do all participants in the regulatory system understand their roles, responsibilities and legal obligations?
Te Tiriti o Waitangi outcomes	Does the option take into account the principles of Te Tiriti o Waitangi and Māori rights and interests? Does the option align with the Treaty Impact Analysis (TIA)?

What scope will options be considered within?

Decisions already taken by Cabinet

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

    a. In June 2024, Cabinet agreed to amend the NPS-ET and NES-ETA to deliver its Electrify NZ plan as part of the Phase 2 national direction programme. Other regulatory and non-regulatory interventions are therefore not considered within the scope of this interim RIS.

    b. In October 2024, Ministers agreed to [MfE BRF-5317 / MBIE REQ-0003001 and MfE BRF-5841]:

        i. combine new national policy direction for electricity distribution with transmission in a new NPS-Electricity Networks (NPS-EN)

        ii. amend the NES-ETA to incorporate rules and standards relating to electricity distribution (subject to further testing with stakeholders) and to provide for a wider range of routine activities

        iii. add objective and policies in the NPS-EN to strengthen the national significance of electricity networks

        iv. amend the NPS and NES-ETA to provide stronger direction to protect the ETN and EDN from the adverse effects of third-party activities, and to enable a wider range of routine work on the electricity network, in all environments.

76. In March 2025, the Government decided to address major infrastructure development interactions with the natural environment in its replacement of the RMA. This means that, in the meantime, other national direction will continue to apply so other NPS (such as NZCPS, NPS-FM, NPS-IB) will be read alongside NPS-EN to manage effects on those values articulated in section 6 of the RMA. This approach is consistent with proposals for NPS-I and NPS-REG.

77. Note that the current NPS-IB excludes REG and the ETN (but not distribution). This regulatory gap will remain until the Planning Bill and the Natural Environment Bill come into force. RMA plans continue to manage biodiversity effects of REG and the ETN in the meantime.

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

Options not considered: stand-alone national direction for distribution and non-regulatory options

79. Developing a stand-alone national direction tool for the EDN was removed from consideration as distribution infrastructure is subject to similar legal and consenting frameworks as

transmission infrastructure and producing a separate NPS would result in unnecessary duplication and system complexity.

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

Policy development process, preferred proposals and discarded options

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

82. Early policy development considered addressing potential conflicts across national direction instruments, through direction to decision-makers on the management of effects on values addressed by other national policy statements. Broadly, those values are identified as matters of national importance under the RMA (acknowledging that not all section 6 matters are addressed by national direction). The issue has been deferred for the new system. The RIS does not address this matter.

83. What options are being considered?

84. There are six policy proposals listed in accordance with the three defined problems (see **Table 3** on next page). The scope of this RIS includes consideration of the status quo as the first option and policy options agreed by Ministers as the second option.

Table 3: Summary – policy proposals for electricity networks national direction

Problem	Proposal	Proposed change
Problem 1: The national significance and benefits of the electricity network are not sufficiently recognised in decisions	*Proposal 1: Recognising the national significance and benefits of the electricity network*	○ Expanding the NPS-ET objective to include protection of the electricity network and recognition of the role the electricity network has in enabling renewable electricity generation, meeting energy security and emission reduction targets whilst ensuring climate resilience ○ Providing for the electricity network to be nationally significant, at all scales ○ Recognise and provide for the functional or operational need of EN activities to occur, locate or traverse particular environments, including those environments with values identified as a matter of national importance ○ Consider long term strategic plans and spatial planning of the electricity network.
	Proposal 2: Providing national direction for the electricity distribution network	○ The NPS-ET is renamed to **National Policy Statement for Electricity Networks (NPS-EN)**, covering electricity transmission and distribution, with appropriate protection and enablement for distribution activities, providing end to end national direction for the electricity network.
Problem 2: Decision makers lack guidance to balance competing interests and environmental values with greater enablement of the electricity network	*Proposal 3: Enabling routine work on the electricity network, in all environments*	○ Amending NPS-ET policy to enable routine activities on existing infrastructure in all environments, provided effects can be practicably managed.

	Proposal 4: Manage the effects of electricity networks	○ Amend the NPS -ET to:
		  ○ recognise route, site and method selection processes and network constraints in locating EN
		  ○ provide general considerations when considering and managing environmental effects of the electricity network
		  ○ provide for electricity network activities in urban environments and servicing new development
		  ○ Update the NPS-ET electric and magnetic field provisions to reflect current international recommendations.

	Proposal 5: Recognise and provide for Māori interests	○ Amend the NPS-ET to provide policy for Māori interests by:
		  ○ Taking into account the outcome of any engagement with tangata whenua on a resource consent, notice of requirement, or request for a private plan change, including through the site, route and method selection process
		  ○ Recognising the opportunities tangata whenua may have in developing and operating their own distribution infrastructure at any scale or in partnership
		  ○ Avoiding, where practicable, or otherwise mitigating, effects on sites and cultural values of significance to Māori
		  ○ Operating in a way that is consistent with iwi participation legislation.[35]

Problem 3: Protecting electricity networks from the effects of incompatible third-party activities is more time consuming and costly than it needs to be	*Proposal 6: Provide stronger protection of the electricity network*	○ Amend the NPS-ET to include policy to manage the effects of third-party activities on the network by:
		  ○ avoiding direct and reverse sensitivity effects
		  ○ identifying ETN assets and engaging with the operator of the ETN to implement buffer corridor
		  ○ engage with the operators of the EDN to identify appropriate buffer corridors for the EDN
		  ○ manage development and subdivision around the network to ensure safe access and provide for EN maintenance, upgrade and development.

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

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

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

Objectives	Enable the EN to support climate transition and resilience. Make efficient use of existing networks and infrastructure. Enable new electricity transmission and distribution activities to a higher degree than the status quo.
Proposal	Amending the NPS-ET to include a new objective and amended policies that direct decision-makers to: ○ Recognise and provide for the national significance and benefits of all EN activities at national, regional and local scales ○ Recognise a wider range of EN benefits, including its contribution to community well-being, the economy, a secure and resilient electricity supply, efficient storage and transfer of electricity, reductions in greenhouse gas emissions and electrification. ○ Recognise and provide for the functional or operational need of EN activities to occur, locate or traverse particular environments, including those environments with values identified as a matter of national importance ○ Provide for long term strategic plans of the EN.

Options

Option One – Status Quo – rely on existing NPS-ET policies

85. Under the status quo, the NPS-ET includes:

    a. an objective and policies that recognise the national significance and a limited range of benefits of the ETN and requires decision makers to recognise and provide for those benefits

    b. policy to consider the technical and operational constraints of the ETN but not the functional and operational need to locate in certain environments, and

    c. policies on identifying the ETN in planning maps and providing for its long-term strategic planning.

86. The existing policies would not change. While many of the existing policies are still relevant, they are not sufficiently directive nor broad enough to achieve the intended objectives for EN.

Option Two – Strengthened national policy direction (preferred)

87. This option proposes several amendments to the NPS-ET to include:

- a new objective for EN
- policy that recognises and provides for the national significance and a wider range of benefits of the EN
- policy to provide for the functional and operational need of the EN to locate in particular environments, and
- policy to strengthen the use of spatial and strategic planning processes for EN development.

A new objective for the EN

88. The objective would be strengthened by enabling and protecting EN development and expanding the scope to require decision-makers to:

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

Recognising and providing for the national significance and benefits of the EN

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

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

90. The updates to the policy on the benefits of the EN are proposed to recognise the contribution of the EN to modern life, the functioning of the community and the growth and development of the economy.
91. The more significant amendments to the objective signal that the delivery and capacity of the EN shall increase over time in response to demand and that the EN must be developed in a timely, efficient and ongoing manner, while managing adverse effects. These two provisions support Transpower and EDBs to scale up the EN over time in response to demand and direct decision-makers to give appropriate consideration of the scope, scale and extent of mitigation measures undertaken.
92. Collectively, a new objective and directive policy elevates the national significance of the EN in a way that more accurately identifies the wider range of benefits, including to society and the natural environment, which face new and increased challenges from natural hazards, climate change and energy security.

Recognising and providing for the functional or operational need to locate in particular environments, including those with section 6 RMA values

93. Policy 3 in the NPS-ET supports the 'technical and operational requirements' of the ETN and the preamble speaks to the characteristics of the network, including that adverse effects may be unavoidable. However, the policy does not specify that the EN may sometimes have a functional and operational need to locate or occur in particular locations and environments.

94. The linear nature of EN and the requirement to service both generation and demand for electricity wherever it is located means that it may not be possible to avoid an area with high environmental values. Shifting a line to avoid values in one area often leads to impacts on values in another location along the length of a route.

95. **Appendix C** provides examples of constraints mapping undertaken by Transpower to illustrate the impact of protections on sensitive environments on development of theoretical and proposed new transmission lines in Northland, Central North Island and Western Bay of Plenty. The data mapped includes available environmental information from a variety of sources, including plans, but excludes highly productive land, hazards and built features such as marae, papakāinga, education facilities and the defence estate to maintain legibility. These additional features would be included in route planning considerations.

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

97. The policy is directive and enabling and applies to the construction of new EN lines as well as routine work on existing assets.

98. However, there must be a balance between enabling EN activities and ensuring that identified matters of national importance are appropriately protected, in accordance with the sustainable management purpose of Part 2 of the RMA. This is particularly important where values are finite in nature, and even more so where these values are already under significant pressure or degraded, such as the habitats of threatened indigenous species.

99. The meaning of functional and operational need is defined in the National Planning Standards 2019.

100. Evaluating these values is challenging because they are often hard to measure, and there is frequently a lack of quality data to fully grasp the potential impacts. Some resources are not even mapped or identified in plans, which presents issues for route planning of linear networks.

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

Providing for long term strategic planning

102. The proposal amends several NPS-ET policies to form a new policy to support engagement between local authorities and EN operators to facilitate the long-term strategic planning of the EN and recognise the role of the designation process in enabling EN network development.

Post-consultation proposed amendments

Objective

103. In response to submissions, officials recommended several amendments to clarify the intent of the objective and align it with the NPS-REG and NPS-I, where appropriate.

104. The recommendations are to amend the objective to ensure that it achieves the intent of the proposal by:

    a. aligning with reference to 'social, economic, cultural' well-being of present and future generations in Part 2 of the RMA

    b. replacing reference to 'emissions reduction' with the broader term 'climate mitigation' which includes emissions reduction, and

    c. revising the clause on managing adverse effects to ensure that the EN is delivered in a timely, efficient and ongoing manner, while managing adverse effects from or on the EN.

Policy 1 National significance and benefits

105. In response to submissions, officials recommended strengthening the policy by clarifying that the benefits are to be considered relative to any localised adverse effects, aligning with the Part 2 reference to social, cultural and economic well-being, replacing the term 'greenhouse emissions' with 'climate change mitigation' and clarifying that 'expanding and increasing' existing renewable generation is included, along with new generation.

106. These amendments provide stronger policy direction for decision makers to recognise the national significance of the EN and includes a more fulsome range of benefits to the community and the economy.

Policy 2 Operational and functional need

107. In response to submissions, officials recommend amending the operational and functional need policy to clarify that EN activities *may* not always have unavoidable adverse effects on the environment. This change acknowledges the differences between the ETN and the EDN, with the ETN more likely to have significant adverse effects given its scale and technical requirements. EN providers still need to reduce adverse effects through the effects management policies 4 to 9.

Policy 11 Long-term strategic planning

108. In response to submissions, officials recommend clarifying that spatial planning processes, including future development strategies,[36] should also be utilised to identify existing EN and provide for future EN needs and that due to the demand led nature of the electricity market, not all EN activities and assets can be spatially identified in advance. No further changes to the policy are recommended.

[36] Future development strategies must be prepared by tier 1 and 2 councils in accordance with the National Policy Statement on Urban Development 2020.

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

	Option 1 – *Status Quo*	Option 2 – Stronger direction for electricity networks to recognise and provide for its national significance
Effectiveness	0	+ Applicants no longer need to prove that EN proposals have benefits that are nationally significant. Decision makers are directed to recognise the national significance and benefits of EN relative to any localised adverse effects. Provides a strategic framing of EN and provides long term planning direction for provision of EN. Trade-offs will be required between recognising and providing for EN and protecting matters of national importance. Both contribute to the purpose of the RMA. The overall impact of these enabling policies on the natural environment cannot be quantified at this point as the effects are dependent on project specific factors.
Efficiency	0	+ Increases efficiency and consistency of planning for EN across the country, which will improve the speed of decision making and reduce costs and uncertainty. This will also reduce the likely number of submissions and appeals. Reduces variation in plan provisions for ETN and EDN infrastructure across all regional and district plans. The proposals may lead to a potential reduction in protection of nationally significant natural environment values. This approach seeks to ensure that the regulatory costs are proportionate to the anticipated benefits of enabling EN activities. Increases cost-effectiveness compared to the status quo by increasing certainty of outcomes in consent processes. Additional costs will be faced by local authorities, applicants and others to assess and respond to the new NPS-EN policies in consent applications and notices of requirement.
System alignment	0	++ Aligns well with existing RMA system and purpose, national direction and Government objectives for climate change and infrastructure, particularly meeting emissions reduction targets. The proposed policy framework aligns with the approach taken in other 'activity-based' national direction; in particular the NPS-I and the amendments to NPS-REG.
Implementation complexity	0	++ The NPS-EN does not include requirements for local authorities to change their RMA plans due to the new planning legislation to replace the RMA. The NPS-EN will be relevant when local authorities and consent authorities determine plan changes (including private plan changes), resource consent applications and notices of requirement.

		Most councils have already incorporated NPS-ET 2008 and decision-makers should be familiar with many of the provisions around national consistency and benefits. Including the EDN in national direction may incur additional complexities which could be addressed with guidance. The proposals are intended to increase national consistency and certainty which will necessarily reduce local flexibility but benefit applicants, local authorities and decision-makers. National consistency is particularly important for linear network infrastructure which crosses multiple local authority boundaries. The NPS-EN policies will still be considered alongside regional policy statements and plans that reflect local values and communities would still have input where consent applications are notified.
Te Tiriti o Waitangi outcomes	0	**0** This group of policies sits alongside the policies for recognising and providing for Māori interests. They do not prevent local authorities from upholding statutory acknowledgements, nor directly affect planning processes involving PSGEs. The proposals may add complexity for policy and consenting, particularly where EN activities are located in areas with sensitive values. Local authorities may have to work to balance protection of cultural values with the more enabling NPS-EN direction. The option aligns with the Treaty Impact Analysis (TIA).
Overall assessment	0	**+**

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

- **Option 2** is the preferred option to address the problem. It would provide consistency across the planning system, as well as clarity and certainty that could reduce the time and costs associated with consenting processes and the risk of litigation.
- There are trade-offs from prioritising EN ahead of other resources. The ETN in particular generates localised adverse effects on the environment and the community (such as loss of visual amenity), but the benefits of the system (sustainable, secure and affordable electricity supply), are conferred across local, regional and national scales. These choices ask communities to accept some degree of local costs in return for a secure, resilient electricity supply based on renewables.

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

Objectives	Better enable ET and ED activities to support climate transition and resilience. Enabling new electricity transmission and distribution activities to a higher degree than the status quo.
Proposal	Amend NPS-ET to apply its objective and policies to the electricity distribution network. The NPS-ET would be renamed the NPS-Electricity Networks (NPS-EN) to reflect this expanded scope.

Options

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

109. There is no national direction for the EDN under the RMA, leaving a gap in the national direction framework without recognising that the EDN is an essential component of the electricity system and electrification journey. Distribution would be provided under district and regional plans.

110. Linear infrastructure such as EN is required to cross multiple territorial boundaries with different rules applying for similar activities. This makes prioritising EDN activities under the RMA challenging and does not provide the level of enablement required for electrification.

111. Sub-transmission assets (high voltage 33kV, 66kV and 110kV lines), many of which are located on private property outside the road reserve, would continue to have less enablement and protection despite being the backbone of the EDN.

112. In addition, many REG projects are being designed to connect into the EDN. In these circumstances the EDN faces the same challenges as the ETN in that it has a functional need to go where REG and demand are located. There are also similar operational and technical constraints associated with construction methods, span lengths and tower heights which can create challenges through during consenting.

113. Continuing to use the current set of district plans to deliver higher volumes of distribution infrastructure could ultimately slow down the delivery of REG, electrification or housing and business development.

114. ENA is the industry membership body representing the 29 EDBs. In November 2023 they advised the Minister of Energy that the distribution sector is facing significant challenges to providing new connections (for instance, in providing customers connections for industrial process heat, EV charging point connections and new urban development). ENA has witnessed a 'step change' in the volume of connection inquiries and demand for significantly greater capacity connections.[37]

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

Option 2: Include national direction for all electricity distribution activities in the NPS-ET and rename as NPS-Electricity Networks 2008

115. This option proposes amending the NPS-ET and renaming it **National Policy Statement for Electricity Networks 2008 (NPS-EN)**, covering both the ETN and the EDN, with commensurate levels of protection and enablement for distribution.

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

117. This option proposes amending the NPS objective and existing policy, and ensuring new policies apply to ED activities by requiring that decision makers recognise and provide for the:

    a. national significance and benefits of the EDN (proposal 1)
    b. operational and functional need to be in particular locations and environments (proposal 1)
    c. Long term strategic planning for the EDN (proposal 1)
    d. routine activities necessary to operate, maintain and upgrade the ED (proposal 3)
    e. consideration of management of adverse effects through route, site and method selection processes (proposal 4)
    f. technical and operational constraints of the EDN to avoid, remedy or mitigate adverse effects (proposal 4)
    g. EDN as an essential part of well-functioning urban environments (proposal 4)
    h. engagement with tangata whenua and avoiding where practicable sites and cultural values of significance to Māori (proposal 5), and
    i. Protection of the EDN from the effects of third parties (proposal 6).

118. This option retains the ability to provide greater protection and levels of enablement for the ETN while also providing appropriate policy coverage for the lower voltage EDN.

119. ***Discarded options:***

120. Several options for the provision of national direction for the EDN were considered and discarded:

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

    b. Include sub-transmission distribution assets only within NPS-ET. This option would provide direction for the EDN with a similar function to ET (ie, high voltage 110kV lines). This option would partly meet the objectives but would not provide direction for the lower voltage components of the EDN which also require a nationally consistent framework to enable activities in support of electrification (EV charging infrastructure).

Post-consultation proposed amendments

121. Submissions were generally in support of providing national direction for distribution provided that appropriate policy distinctions were made to reflect the different nature and scale of the ETN and the EDN. A few submitters queried whether individual parts of the network could be considered nationally significant.

122. Officials agree that the policies could include greater recognition of the differences between the ETN and the EDN, particularly around the generation and management of adverse effects. Changes are proposed to the effects management policies (2, 4, 5 and 9) to recognise the differing operational needs, technical requirements and scale of the ETN and EDN.

123. No further amendments are proposed in response to submissions. Officials recommend providing national direction for the EDN and amending the title of the instrument to 'National Policy Statement on Electricity Networks 2008'.

How does the option compare to the status quo?

	Option 1 – *Status Quo*	**Option 2 – Include distribution in the NPS-ET and rename it NPS-EN 2008**
Effectiveness	0	**++** Requiring decision-makers to recognise the national significance and benefits of distribution, and to provide enabling policy direction for the EDN achieves the objective to enable routine work on distribution and to reduce compliance costs. Expanding the NPS-ET to include sub-transmission and distribution assets which have comparable adverse effects will enhance the effectiveness of NPS-EN to provide a national framework to plan for the whole electricity network.
Efficiency	0	**++** Applying the objective and policies to the EDN aims to improve the efficiency of consenting and other regulatory processes under the RMA by reducing uncertainty. For example, decision makers will be required to recognise and provide for the significant benefits of the EDN to energy security and the functioning of districts, regions and the country when considering consent applications, and its functional or operational need to locate or traverse particular environments. The proposed approach is intended to reduce regulatory costs by providing strengthened direction that overall, leads to a greater enablement of the EDN. The costs need to be considered in light of reduced protection of the natural environment identified under the RMA as nationally important. The aim is to ensure regulatory compliance is proportionate to the adverse effects of EDN on the environment. It is more efficient for the NPS-EN to apply to the EDN beyond those assets owned by Transpower because the effects are comparable, irrespective of ownership. It is more cost-effective to issue an NPS that applies nation-wide rather than develop plan content for approximately 65 different districts with varying policies and rules.
System alignment	0	**+** NPS-EN will align with other national direction and Part 2 (particularly section 5 sustainable management). The NPS-EN will apply alongside other national direction instruments and therefore the NPS-EN will not expressly resolve conflicts between environmental priorities, but it will elevate the priority of the EN in resource management decision-making.
Implementation complexity	0	**+** It will be a new experience for EDBs to implement these provisions for the EDN, but councils have extensive experience through consenting and plan making processes.

		With Plan Stop in force, councils will not be required to incorporate the NPS into their plan, however, subject to Part 2, section 104 of the RMA requires that a relevant NPS must be had regard to when determining an application for resource consent. The NPS is intended to increase certainty and predictability about regulatory requirements by providing nationally consistent policies. This consistency should benefit applicants, local authorities and decision-makers. It also provides greater certainty for parties who may wish to submit on a consent application or notice of requirement. The Electricity Act 1992 provides additional regulatory certainty for EDBs, including the right to develop in the land transport corridor.
Te Tiriti o Waitangi outcomes	0	**+** The NPS-EN takes into account the principles of the Treaty in relation to distribution by encouraging decision makers to consider opportunities for Māori enterprise in distribution assets and networks, or partnership opportunities. Electricity is essential for Māori development and wellbeing, particular the delivery of affordable renewable energy. Early engagement with Māori is required and sites of cultural significance are afforded protection from the adverse effects of distribution in Proposal 5.
Overall assessment	0	**++**

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

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

Addressing problem 2: Decision makers lack guidance to balance competing interests and environmental values with greater enablement of the electricity network

Proposal 3: Enabling routine work on the electricity network, in all environments

Objective	Enabling the ongoing operation, maintenance and upgrading of the EN to make efficient use of and better protect existing generation capacity, networks and infrastructure.
Proposal	Amendments to NPS-ET policy to enable routine activities on existing infrastructure in all environments.

Options

Option One – Status Quo – rely on existing NPS-ET provisions

125. Under the status quo, the existing policies and regulations would not change. Policy 5 provides for operation, maintenance and minor upgrade activities for transmission only. The NPS-ET has had limited success in enabling ET activities in sensitive areas or where major structural changes are needed. The NPS-ET is no longer fit for purpose and retaining the existing provisions will not support electrification at the pace and scale required to meet future demand, energy security, support resilience and meet the Government's objectives.

Option Two – Amend the NPS-ET to enable routine work on the electricity network (preferred)

126. This option proposed amending the NPS-ET Policy 5 to cover both transmission and distribution activities and provide more certainty to EN operators that they can undertake the necessary work required to operate and upgrade the EN, regardless of the environment of the asset.

127. The proposal includes a new policy in the NPS-EN directing that decision-makers must enable routine EN activities, in all environments, provided adverse effects are avoided, remedied, or mitigated where practicable, acknowledging the existing nature of the assets. The policy is supported by new definitions for works categories, including 'routine EN activities', 'non-routine EN activities', and 'ancillary activities' which cover the full scope of work required to operate, maintain, develop and upgrade the EN.

128. The intent of these changes is to provide certainty for EN providers that routine EN activities on existing assets with minor adverse effects (eg, operation, maintenance, upgrading) can occur in a timely and efficient way, while still ensuring that Transpower and EDBs take appropriate steps to avoid or mitigate adverse environment effects to the extent practicable.

129. This enabling policy direction will require consideration alongside more restrictive policies in other national direction instruments, for example provisions in the NZCPS to avoid certain adverse effects in the coastal environment and the NPS-FM to avoid the loss of extent of natural inland wetlands.

130. The NES-ETA sets out the national framework of permissions and consent requirements to manage the environmental effects of activities on the ETN developed before 2010, with additional controls to manage adverse effects in areas with sensitive values. The Phase 2 national direction programme includes amendments to NES-ETA which will support the NPS-EN policy. The regulatory impact of these proposals is covered in a separate RIS.

Post-consultation proposed amendments

131. In response to submissions, officials recommend that no further changes to the proposals are required. The NPS-ET enables maintenance and upgrade work and it is essential that this direction is extended to the EDN. The proposal provides greater certainty for essential work on all EN assets, which must be undertaken regardless of the location of the asset. The proposed amendments to NES-ETA will include provisions for the distribution network and appropriate controls to manage the adverse effects of EN activities, with additional controls for activities in or near sensitive areas.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	*Option Two – Amend NPS-ET to enable routine work on the electricity network*
Effectiveness	0	**++** This policy would provide greater certainty for EN providers that consents for necessary maintenance and upgrade work will be granted, in all environments. Adverse effects of routine EN activities will be managed under NES-ENA regulations. May increase contamination in sensitive environments (particularly problematic for terrestrial and aquatic habitats for indigenous fauna, wetlands, soils) but standards in NES-ENA can avoid or mitigate these risks.
Efficiency	0	**++** This policy is directive and will significantly reduce consenting requirements in line with the controls in the NES-ENA, which will be issued at a later date, but will complement the NPS-EN with permitted activity rules for routine activities. Directing enablement of routine work will meaningfully reduce consenting volumes. Consenting for routine and small-scale infrastructure work is disproportionately high compared to the total cost of the work itself. This was shown in the Sapere (July 2021) report on costs of consenting infrastructure.
System alignment	0	**+** Most closely aligns with the Government's objective to enable the ongoing operation and protection of EN in all environments. Aligns with national direction relating to infrastructure which seek to provide permitted activities for routine work to reduce consenting volumes.
Implementation complexity	0	**++** There will be low implementation complexity and operators can carry out routine work on the EN without consenting barriers.
Te Tiriti o Waitangi outcomes	0	**-** Some Māori may be affected by this policy to the extent that transmission infrastructure is located on Māori land. Where it does, there are likely to be ongoing effects. Some routine work could lead to some contamination (ie, from blasting), visual effects from changes to structures etc, but these are not anticipated to be significant. There will be no scope to notify or consult with iwi/Māori for routine work unless the operators seek to carry this out in good faith.
Overall assessment	0	**++**

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

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

Proposal 4: Manage the effects of electricity networks

Objective	Enable new electricity transmission and distribution activities to a higher degree than the status quo, whilst managing adverse effects.
Proposal	NPS-EN to include new and amended policies to manage adverse effects of EN activities on the environment: a. amending policy 4 NPS-ET to support more effective route selection b. retaining existing Policy 8 NPS-ET, with minor amendments c. amending policy 6 NPS-ET to provide for EN in the urban environment d. updating existing NPS-ET policy on electric and magnetic fields.

Options

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

- Under the status quo, the existing effects management policies would not change. Adverse effects are largely managed through policies 4, 6, 7 and 8 in the NPS-ET.

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

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

- As noted earlier in this RIS, the Government has now directed that policy to direct decision-makers on the management of effects on values addressed by other NPS will be addressed as part of the RMA replacement legislation.

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

a. amending Policy 4 NPS-ET to better support route selection processes and network constraints

b. amending policies 6 and 7 NPS-ET to provide for EN in urban areas and support reducing adverse effects of existing infrastructure during major upgrades

c. retaining Policy 8 NPS-ET, with minor changes

d. updating policy 9 addressing electric and magnetic fields, and

e. introducing some of the NPS-ET preamble as policies.

<u>Managing adverse effects through route, site and method selection processes</u>

134. The NPS-ET included policy requiring decision-makers to have regard to the extent that adverse effects were avoided, remedied or mitigated by the route, site and method selection for new ETN infrastructure and major upgrades. Therefore, the status quo does not require

much change to achieve the objectives, and the regulatory impact is accordingly limited in scale, except to the extent that decision-makers are required to apply these policies in relation to locations that would otherwise have been inaccessible due to the protective policies in other national direction or plans.

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

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

136. NPS-ET policy 6 requires decision-makers to consider whether substantial upgrades have reduced existing adverse effects. This policy is particularly relevant in urban areas or areas where there are cumulative impacts from multiple ETN lines. It has, to a certain extent, driven demand for undergrounding of ETN lines, an activity that Transpower has identified as being 10 times more expensive than overhead lines.[38]

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

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

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

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

Providing for EN in urban areas

141. Policy 7 NPS-ET addresses the impacts of transmission infrastructure on urban areas, town centres and other recreation, amenity and sensitive activities. This policy has been amended and expanded to focus on EN in urban areas by recognising that EN forms an essential part of well-functioning urban environments and must be provided for. Additional direction is provided to support engagement between local authorities and EDBs to ensure that distribution infrastructure is appropriately identified and provided for to meet demand.

142. From a regulatory impact perspective, officials consider that these policies will increase certainty and provide greater consistency for EN providers, particularly the EDN which currently lacks national direction. In particular, the proposals will support greater consideration of the need for EN infrastructure in urban areas in planning processes, for example consent making and plan changes.

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

Retaining Policy 8 NPS-ET, with minor changes

143. Policy 8 of NPS-ET is being carried over into the NPS-EN because the Government decided to defer infrastructure pathways in natural environments to new legislation that would replace the RMA. This decision restricted any expansion of the existing Policy 8 scope to include policy coverage for areas not covered within the existing policy (for example, outstanding natural features) or address the acknowledged challenges with non-RMA terminology (for example, high recreation value). Retaining Policy 8 provides consistency with the NPS-ET.

144. Policy 8 requires that in rural environments, non-routine EN activities (such as major upgrades and new EN development) should seek to avoid adverse effects on ONL, areas of high natural character and areas of high recreation value and amenity. Without carrying over this policy, there would be a gap in relation to managing effects in these sensitive areas when there isn't currently one.

145. Officials do not anticipate that the policy will add additional regulatory compliance.

Updating electric and magnetic fields policy

146. There are also minor updates to the existing policy on EMF, to update to the 2010 ICNIRP guidelines instead of the 1998 version. The EMF policy will apply to the EDN. This is a minor update as there will be no difference in the level of protection from exposure to EMF. Officials understand that ICNIRP intend to further update the guidelines in 2027 and therefore the policy has been drafted to recognise any relevant revisions of those guidelines.

147. Officials do not anticipate that the policy will add additional regulatory compliance.

Post-consultation proposed amendments

Managing adverse effects through route, site and method selection

148. In response to submissions, officials recommend that the policy be amended to clarify that EN activities may not always have unavoidable adverse effects on the environment. This acknowledges the distinction between the adverse effects generated by the ETN and the EDN. There are no further amendments to this policy.

Considering opportunities to reduce effects of existing EN

149. In response to submissions, officials recommend a minor amendment to clarify that the duty to reduce adverse effects lies with the EN operator rather than the decision-maker. There are no further amendments to this policy.

Providing for EN in urban areas

150. In response to submissions, officials recommend several changes to the policy for urban areas:

    a. to recognise that it 'may' not be practicable to avoid all adverse effects. The proposal wording presupposes that avoiding adverse effects will not be practicable and could discourage more innovative solutions to the effects of EN activities

    b. clarify that local authorities should engage with EDN providers to determine an appropriate method or means to identify when EDN assets are required to meet increasing demand for electricity, and

    c. include policy to support 'undergrounding' of new EDN lines in urban areas, particularly in new subdivisions, while recognising the financial and technical constraints to do so. Many plans provide for undergrounding as a permitted activity and this policy would support that.

Retaining Policy 8 NPS-ET

151. In response to submissions seeking amendments to include additional policy areas, update the policy terminology and provide direction for EN activities that are unable to avoid areas

covered by the policy, officials note that the Government decision to address the effects management hierarchy in the replacement RMA legislation necessitated the retention of existing Policy 8 NPS-ET. The general 'avoid, remedy, mitigate' RMA provisions would apply where EN activities are unable to avoid adverse effects.

152. Officials recommend no changes to the proposal.

Updating electric and magnetic fields policy

153. In response to submissions, officials recommend amending Policy 12 to remove specific reference to including electric and magnetic fields provisions in plans due to 'plan stop' (please refer to the implementation section on *page 60*). The policy intent is to retain the current direction and update the reference guidelines. The change will mean the policy will apply to resource consents rather than plan provisions. Officials recommend no further changes to the proposal.

How do the options compare to the status quo?

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

		proposals align with the approach taken for NPS-REG 2011 and the proposed NPS-Infrastructure.
Implementation complexity	0	**+** The proposals intend to provide greater national consistency, certainty and predictability for management of EN activities. This consistency benefits applicants, local authorities and decision-makers and provides greater certainty for affected parties who may wish to submit on consent applications. Following gazettal, the NPS policies will be included in decision-making and will need to be read alongside policies in local planning instruments that reflect matters of importance to the local community. We heard during engagement that without a clear mechanism to resolve conflicts between EN and environmental values, there would continue to be complexity in local decision making.
Te Tiriti o Waitangi outcomes	0	**0** The option aligns with the Treaty Impact Analysis (TIA). Further enabling EN in sensitive environments, including areas of significance to Māori, can lead to difficult trade-offs and adverse effects, some of which may be significant.
Overall assessment	0	**+**

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

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

Proposal 5 – Recognising and providing for Māori interests

Objective	Provide for Māori interests through engagement and protection of sites of significance
Proposal	Include a new policy in the NPS-EN which would direct that Māori interests are recognised and provided for by a. Taking into account the outcomes of engagement b. Recognising opportunities for Māori enterprise or partnership in distribution infrastructure c. Protecting sites of significance to Māori by avoiding, or otherwise mitigating, adverse effects b. Operating in a way which upholds iwi participation legislation.

Options

Option One – Status quo – no direction in NPS-ET

154. The NPS-ET does not include any policies that recognise the importance of Māori values, engagement and aspirations, although NES-ETA includes sites of significance to Māori in the definition of historic heritage.

155. Local authorities have separately developed a range of provisions, processes and arrangements to meet their obligations to iwi/Māori under section 6(e) (f) (g), 7(a) and 8 of the RMA. In general terms these seek to ensure that there are opportunities for iwi/Māori to be involved in plan development, consent applications, or notices of requirement. Under Option One these existing provisions, processes and arrangements will stand.

156. Maintaining status quo may result in inconsistent approaches to engaging with Māori on matters under the RMA. This is particularly relevant for linear network projects which cross regions or districts and include multiple RMA planning documents. The gap in national direction has created uncertainty for EN consenting processes and outcomes and has led to litigation, project delays and deferral of key upgrades.

157. Under the status quo this gap in policy direction leading to inconsistent approaches would remain. Option 1 is not preferred for this reason.

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

158. Under Option Two, policy direction would support recognition of Māori interests in EN. This would direct early engagement with iwi/Māori, require decision makers to consider Māori interests in a range of planning processes, provide for Māori aspirations in EDN and avoid adverse effects of EN activities on sites of significance to Māori, where practicable.

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

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

161. In recognition of these requirements, the proposed policy is that:

Decision makers must recognise and provide for Māori interests in relation to the EN by:

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

d. Operating in a manner that is consistent with iwi participation legislation, note this policy does not exclude participation under the Marine and Coastal Area Act 2011 or in Mana Whakahono ā Rohe.[39]

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

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

164. The purpose of applying this policy to 'applicants, as appropriate', as well as decision-makers is to identify that there are circumstances in which it is appropriate and/or required (by local planning instruments) that applicants engage with local iwi/Māori groups.

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

166. Inclusion of a specific policy in the NPS-EN is intended to clarify that the NPS-EN does not prevail over arrangements made under iwi participation legislation/Mana Whakahono a Rohe.[40]

Post-consultation proposed amendments

167. For submissions seeking greater direction and a wider scope of Māori interests, officials note that the NPS-EN policies will not override local plan controls in place for sites of significance to Māori. Decision-makers will have regard to all relevant NPS policies alongside the relevant local plan provisions. In addition, the NPS-EN policies do not directly impact the general decision-

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

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

making process requirements under the RMA and Treaty settlement legislation where Māori participation is concerned, nor the role of Mana Whakahono ā Rohe agreements.

168. In response to submissions, officials recommend that the policy on Māori interests is amended to clarify that opportunities for engagement should be provided where EN activities may impact sites of significance to Māori and issues of cultural significance. Officials do not recommend any further changes to the policy and note that alignment with NPS-REG and NPS-I has been retained where appropriate but NPS-EN maintains a distinct policy to avoid sites of significance to Māori where practicable. This sets a high bar for EN providers to demonstrate that network development actively seeks to avoid significant sites but acknowledges that this may not always be possible due to the nature of linear networks, particularly where existing assets are located on or near sites of significance and avoidance is not possible if there is a continued need for the asset.

169. The recommendations to amend Policy 3 ensure that it recognises and provide for opportunities for tangata whenua involvement where EN activities may impact a site of significance or issue of cultural significance to Māori.

How do the options compare to the status quo?

	Option 1 – *Status Quo*	**Option 2 – recognise and provide for Māori interests in electricity networks**
Effectiveness	0	+ The proposal seeks to address Māori engagement, values and aspirations, by giving strong hooks for engagement 'at place' with Māori on a case-by-case basis. The extent to which this satisfies expectations and obligations for engagement will depend on implementation by local government and applicants.
Efficiency	0	+ Engagement with iwi/Māori can increase upfront costs and require time to undertake. Early engagement can increase the efficiency by reducing applicant's costs overall, reduce processing timeframes and can lower system costs for local authorities and Courts on appeal.
System alignment	0	++ The proposed policies integrate well with the statutory framework and Part 2 RMA, which seeks to provide for cultural wellbeing while managing adverse effects on matters of national importance and to take into account the principles of the Treaty of Waitangi. The policy is consistent with the NPS-REG and proposed NPS-I Māori policy, but adjustments have been made where appropriate for EN.
Implementation complexity	0	- The policies direct decision-makers to follow well-established practices in compliance with RMA requirements to engage with iwi/Māori. There is a high likelihood that the policies can be successfully implemented within reasonable timeframes. This is not a significant policy shift to the current good practice that is applied across the

		country. There is a risk that the enabling provisions for EN on sites of significance provide greater scope for EN activities without due consideration to avoid in the first instance. This group of policies will increase certainty and provide predictability about regulatory requirements over time.
Te Tiriti o Waitangi outcomes	0	+ This group of policies is specifically designed to promote the principles of participation and active protection. In engagement, Māori were supportive of the policy's intent but some recognised there was a gap in relation to referencing the Treaty principles.
Overall assessment	0	+

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

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

Addressing problem 3: Protecting electricity networks from the effects of incompatible third-party activities is more time consuming and costly than it needs to be

Proposal 6 – Providing stronger protection of the electricity network

Objectives	Enable the ongoing protection, operation, maintenance and upgrading of existing transmission and distribution activities Make efficient use of and better protect existing generation capacity, networks and infrastructure
Proposal	Amend NPS-EN to strengthen policy relating to a buffer corridor to protect EN infrastructure from nearby incompatible activities by: ○ avoiding direct and reverse sensitivity effects ○ identifying ETN assets and engaging with the operator of the ETN to implement buffer corridor ○ engage with the operators of the EDN to identify appropriate buffer corridors for the EDN ○ manage development and subdivision around the network to ensure safe access and provide for EN maintenance, upgrade and development.

Options

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

170. Policies 10 and 11 of the NPS-ET direct decision-makers and local authorities to manage activities to avoid reverse sensitivity effects and to consult with Transpower to identify a buffer corridor to manage the adverse effects of third parties on the ETN, including reverse sensitivity and direct effects.

171. To date, 70% of district plans have implemented the National Grid corridor policy.[41] A remaining 27% of councils have commenced a process to give effect to Policy 11. Councils reported in 2019 to agencies that implementation of Policy 11 has been challenging and one of the costlier aspects of NPS-ET implementation.[42] This policy implementation has also come at the cost of $14M to date for Transpower.[43]

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

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

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

172. There is no direction that provides similar protection for the EDN. Local plans include policies and rules but these vary across the country.

173. Under the status quo, the existing policies would be not change. Policies 10 and 11 are outdated and do not achieve the intended objectives for the protection and enablement of the EN.

Option Two – Update NPS-EN policy to manage effects of third parties on the EN

174. This option would provide a more directive policy framework in the NPS-EN to better protect the EN from the effects of incompatible third-party activities. The updated policy would direct decision-makers and local authorities to:

- avoid direct and reverse sensitivity effects on the EN, to the extent reasonably possible
- ensure that the functioning of, and access to, the EN is not compromised by development or vegetation nearby
- identify and map the ETN and other regionally and nationally significant EN assets in their district
- engage with ETN operator to implement the buffer corridor provided in any national environmental standards for electricity networks, and
- engage with EDN operators to identify an appropriate buffer corridor for EDN and ensure compliance with safe electrical distances for subdivision, building and earthworks.

175. This option would complement the National Grid Yard and the Subdivision Corridor regulations in the NES-ENA, which will be issued at a later date.

176. By actively requiring decision-makers to protect the EN by restricting development that compromises the function and operation of the EN. This enables the maximising of the previous investment into the EN to occur and essential health and safety matters to be recognised appropriately.

Post-consultation proposed amendments

177. In response to submissions, officials recommend several amendments to clarify the:

a. roles of decision-makers and local authorities
b. intent of the policies to protect the EN from the effects of third parties, and
c. engagement and implementation requirements.

178. The intent is to provide stronger direction to control development near the EN in order to protect human health and to ensure the safe and ongoing operation of the network. Officials recommend that a distinction is made between avoiding direct effects on the EN (such as under-build of transmission lines) and avoiding activities which may have reverse sensitivities, to the extent reasonably possible. This distinction strengthens the direction for direct effects and maintains the existing NPS-ET direction on reverse sensitivities.

179. The recommendations are to amend Policy 10 to include:

a. direction to decision-makers and local authorities to manage adverse effects of third-party activities by avoiding direct effects on the EN and avoiding reverse sensitivity effects to the extent reasonably possible

b. require local authorities identify and map the ETN and implement buffer corridors provided in any national environmental standards for electricity networks, and

c. require local authorities and decision makers as relevant to engage with EDN providers to implement any provisions in any national environmental standards for electricity networks that protect the EDN from adverse effects of third parties.

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

	Option 1 – Status Quo	Option 2 – Update NPS-EN policy on the National Grid corridor
Effectiveness	0	++ Stronger NPS direction will ensure a more safe, secure and efficient EN, protected from third party effects.
Efficiency	0	++ Broadening the scope of Policy 11 to capture sub-transmission and distribution assets improves the efficiency because it protects a greater span of the EN, leading to less future service interruptions. Less bespoke planning and policy needs to be developed at the local level for sub-transmission and distribution leading to cost and time reductions.
System alignment	0	+ These protections align well NPS-I and a future NES-ENA. The development of new rules to control for adverse effects from third parties can carry over to the new system well, but there could be conflict with the Government's desire to premise new planning law on the enjoyment of private property rights.
Implementation complexity	0	+ Implementation should be easier because the direction will be clearer as to how the EN ought to be protected. While not part of the NPS, an NES will be issued at a later date and will complement the policy by providing National Grid Corridor regulations.
Te Tiriti o Waitangi outcomes	0	+ National Grid corridor will protect marae, papakāinga and other cultural facilities (which has been recognised as sensitive activities) from electrical risks associated with the network. However, this may restrict the rights of Māori to build on their land where there may be an existing electrical line.
Overall assessment	0	+

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

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

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

Electricity sector			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Learning the new policies and rules.	**Medium (one-off)** • Transpower told officials it spent $14M so far implementing Policy 11 of NPS-ET alone. • Members of the sector have spent significant FTE on engagement during the development of these proposals.	**Medium** • Figures for sector wide impacts are unattainable however, discussions with stakeholders are indicative of likely scale.
Additional benefits	Directly reduce consenting costs. Improve regulatory certainty and predictability of outcomes. Accelerate the consenting process.	**Medium (ongoing)** • Research commissioned by Te Waihanga estimated that direct consenting costs for energy infrastructure equal to around 2.6% of the total energy infrastructure spend. We would expect this value to drop with the changes. • Improved regulatory certainty would reduce the risk profiles of investments, making them more profitable. • Less time spent waiting for consents would provide further monetary benefits.	**Medium** • Te Waihanga estimates provide an indication of scale. • It is difficult to quantify the scale of benefits resulting from increases in regulatory certainty beyond the direction of the impact.
Expected net impact	**Positive Net benefit** Overall, we expect the changes will have significant long-term benefits for the sector with the benefits gained from a streamlined and efficient consenting process outweighing upfront costs of a new regime.	**High benefit (over medium – long term)** • Upfront costs of learning the policies and rules will eventually be outweighed by the ongoing benefits of a more efficient system.	**High** • These changes are being advocated for by the electricity sector and CPOs. We expect these businesses to prioritise changes that align overall with their financial interests.
Local communities			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Local communities are more likely to experience losses to local amenity or impact of EN activities on environmental values. These proposals enable ET and ED activities to disregard the adverse effects imposed on amenity, particularly visual amenity, by new infrastructure. This can have implications on recreation, open space and tourism.	**Low** • Impacts will depend on individual project location, characteristics and effects mitigation measures chosen. Impacts likely to be localised. • Potential for reduced costs through greater system efficiency.	**Low** • Consultation submissions provided further qualitative evidence however there is still insufficient quantitative evidence to accurately determine the additional costs.
Additional benefits	Better access to EN and more reliable networks to provide electricity to communities. Reduced risk of exposure to electrical hazards from strengthened EN protection	**Low**	**Low**
Expected net impact	**Undetermined** It will be subjective for different individuals as to whether the benefits of lower electricity prices will outweigh the loss of amenity value or EN activities in sensitive areas.	**Low**	**Low**
Electricity consumers (retail & wholesale)			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	We do not anticipate increased costs on electricity consumers.	**Low**	**Low**
Additional benefits	Reductions in wholesale electricity costs derived from more renewable energy plants being built 6 months earlier compared with the CCC's demonstration path. Recent reports have estimated that the levelised cost of energy (LCOE, the average wholesale electricity price required over a plant's lifetime for the investment to break	**Very high** • Assuming a competitive retail electricity market, retail prices should reflect the underlying costs, so reductions in wholesale electricity prices	**Medium** • Estimates on electricity demand and wholesale electricity prices come from the CCC modelling for their ERP advice.

	even) has been decreasing significantly for renewable energy, with wind and solar decreasing by around 50%-65% over the 2013-2020 period.[44, 45] Therefore, greater amounts of low emission generation from renewable sources will reduce the overall costs passed on to consumers.	should flow-on to reductions in retail electricity prices. • Building renewable energy plants 6 months earlier than the CCC's demonstration pathway is estimated to reduce future wholesale electricity costs resulting in PV savings of $4,858m across the 2023-2035 period, based on expected demand. • According to the Electricity Authority, generation makes up 32% of the average electricity bill for residential consumers, with distribution and transmission making up another 27% and 10.5% respectively.	
Expected net impact	Relative to the status quo we do not expect any costs to electricity consumers and therefore overall, we expect **considerable net benefits** for consumers.	**Very high**	**Medium**
Central Government			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Transitional costs for central government to develop the national direction instruments and support implementation (ie, preparing non-statutory guidance).	**Medium** • The total costs for national direction process can be as high as ~$6M (based on NPS-UD), which includes estimates of government staff time.	**High** • This type of change is not novel, previous amendments give a good indication on the scale.
Additional benefits	Ongoing reduction in future emissions abatement to meet ERP targets (Treasury shadow emissions values – central price path).	**High** • Renewable energy plants built 6 months earlier reduces estimated shadow emissions values by $193 m compared with the demonstration pathway. **Values are PV estimates for the 2023-2035 period. Estimates are based on decreasing the time to build new renewable generation plants compared with the CCC's demonstration path.*	**Medium** • Estimates are based on Treasury shadow emissions prices and Climate Change Commissions modelling for its ERP advice
Expected net impact	**Positive Net Benefit** Overall, we expect this to result in **significant benefits** for Central Government. The value of the carbon emissions saved relative to the status quo will considerably outweigh the upfront costs of setting up the new regime.	**High** • The benefit of the carbon emissions saved outweigh the upfront costs of setting up the new regime.	**High** • Given the different scale of the expected costs and benefits we have a high degree of certainty the benefits to Central Government will outweigh the costs.
Local Authorities			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Transactional costs to become familiar with new policy requirements and incorporate them into council plans. Resource consents are generally cost recoverable so do not impose costs to councils.	**Medium** • The estimated cost to implement NPS-UD and the MDRS by territorial authorities was $5.68M, however, this is considered a significant underrepresentation in some areas.	**High** • Analysis of costs was undertaken by NZIER.[i]
Additional benefits	The options aim to make the consenting process quicker and provide more clarity around the consenting process. This is expected to reduce the overall complexity and burden for local government regulators.	**Low/medium** • Recurring savings from more consistent and streamlined consenting process.	**Low**

44 Transpower, Electrification Roadmap, 2021

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

	More consistent plans will also reduce training costs and barriers to staff moving between entities.		Consultation submissions provided further qualitative evidence however there is still insufficient quantitative evidence to accurately determine the additional benefits.
Expected net impact	**Positive Net Benefit** Initially the upfront transaction costs of implementing plan changes will be relatively significant however over the long term we expect that more consistent and streamlined consenting process will balance this out.		
Iwi/Māori			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Additional upfront and recurring time costs associated with engaging with EN projects. One off cost associated with submitting on changes.	**Low** • The costs are no greater than without national direction. Perhaps it would likely be more so. •	**Low** • Consultation submissions provided further qualitative evidence however there is still insufficient quantitative evidence to accurately determine the additional costs for iwi/Māori.
Additional benefits	Improved consideration of Iwi/Māori interests. Effective engagement can increase efficiency by including consideration of issues of significance to iwi / Māori early in project and planning processes.	**Medium** • Supports iwi / Māori to realise opportunities for self-development • Potential for reduced costs through greater system consistency	**Low** • Consultation submissions provided further qualitative evidence however there is still insufficient quantitative evidence to accurately determine the additional benefits for iwi/Māori.
Expected net impact	**Positive Net Benefit** Overall, we expect the changes will **benefit** Iwi/Māori. Additional consideration for Iwi/Māori interests should mean that they see improved outcomes for the same level of resources put into engagement. While there may be additional costs in cases where more engagement is required, we expect the benefits to outweigh this.	• Impact of the policy is dependent on iwi/Māori to have sufficient resources to engage with EN applicants and consent processes in a timely and consistent manner.	**Low** Consultation submissions provided further qualitative evidence however there is still insufficient quantitative evidence to accurately determine the additional costs for iwi/Māori.
Environment/ biodiversity			
Impact	Summary of impacts	Scale of impacts	Evidence certainty
Additional costs	Some ET projects may seek to locate in significant environments with effects that are likely to be significant. Cumulative effects on the environment resulting from multiple EN projects being consented. The specific effects would be assessed and managed on a case-by-case basis based on the consent authority's assessment of the policy direction and the remaining adverse effects and benefits of the specific ET project for which consent approval is sought.	**Medium to High** • These are enabling policies and will increase the presence of EN infrastructure in the natural environment. Officials have been unable to quantify this scale.	**Medium** • MfE have undertaken a high-level assessment of environmental effects and engaged with DoC to support analysis.
Additional benefits	Streamlining the consenting process for new renewable energy plants is expected to reduce total carbon emissions produced from electricity generation over time.	**High** • Modelling estimates a reduction of 1.98 MtCO2e in total emissions produced over the 2023-2035 period under the scenario where new renewable energy plants are built 6 months earlier compared with the demonstration path.	**Medium** • Modelling has been undertaken by the Climate Change Commission in respect of emissions reductions from renewable electricity generated over time. Indirect impacts have been extrapolated to apply to transmission.
Expected net impact	**Undetermined** It is very difficult to distinguish overall environmental impact as the overall costs will be highly dependent on the nature of each specific project and its adverse effects. It also will require trading off different unrelated factors such as impacts on biodiversity compared to reduction in emissions.	**High** • The impacts of the change will have significant costs and benefits on the environment.	**Medium** • Costs and benefits are relatively clear given the assessments taken by MfE, DoC and the Climate Change Commission.

NPS-EN relationship and alignment with other national direction

Relationship between the NPS-EN and other national direction – system alignment

180. The NPS-EN must be considered alongside all other national direction under the RMA. There is no hierarchy unless explicitly stated, and the NPS-EN does not include such a statement.

181. Decision-makers must assess which provisions carry the most weight in the context of each application or plan. Some instruments use highly directive language that clarifies their priority, for example, the "avoid significant adverse effects" policies in the NZCPS have been interpreted as taking precedence over less directive policies.

182. This approach reflects the status quo. The proposed changes do not alter the fundamental relationship between national instruments. Instead, they make the system more enabling of EN development, without introducing tensions beyond those already present in the existing RMA decision-making framework.[46]

Relationship to the National Policy Statement for Renewable Electricity Generation and the National Policy Statement for Infrastructure

183. National Policy Statements can be broadly grouped as 'development' or 'domain' focused. Domain focused instruments manage adverse effects on particular environmental values, for example the coastal areas, biodiversity or highly productive land.

184. The NPS-REG and NPS-I are all development-focused instruments. They have been developed in parallel to ensure alignment, both in how decision-makers apply them and in their shared approach to definitions, recognising infrastructure benefits and managing adverse effects.

Relationship to the National Environmental Standard – Granny Flats

185. The National Environmental Standard for Minor Residential Units (Granny Flats) is being issued to permit granny flats of up to 70 square meters in all districts. Officials have designed the NES with the National Grid corridor provisions in mind. The National Grid rules and the buffer rules for distribution (proposed in NES-ENA) will ensure that under-build is avoided and that granny flats will not encroach into the infrastructure corridor or underneath lines.

46 Note that there are new instruments proposed as part of the current national direction package (including the NPS-I) - the 'horizontal' structure of national direction will also apply to these new instruments.

Section 3: Delivering an option

How will the proposal be implemented?

This RIS informs Cabinet's decision making on the NPS-EN

186. Cabinet received an interim RIS (national direction for electricity networks) in May 2025 and subsequently cabinet issued a discussion document, and officials have carried out analysis of submissions that were received during consultation. The final RIS will inform cabinet's decision to approve and gazette the NPS-EN.

How implementation of NPS-EN will be carried out

187. The NPS-EN will affect decisions relating to resource consents, notices of requirement and water conservation orders once it has been gazetted and comes into force 28-days after.

Plan changes and 'Plan Stop'

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

189. This risk has been relieved by Plan Stop. The Resource Management (Consenting and Other System Changes) Amendment Act 2025 paused the ability for local authorities to carry out plan changes using the Schedule 1 process until 31 December 2027. The law does not affect private plan changes which may still progress. This means NPS-EN will not be incorporated into RMA plans.[47]

190. In relation to decisions on resource consents, the NPS-EN will have immediate effect on decision making. Section 104 requires that decision makers on resource consents, subject to Part 2, have regard to a relevant NPS. With respect to territorial authorities making recommendations on notices of requirement, they must have particular regard to a relevant NPS.

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

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

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

Monitoring

193. The NPS-EN is part of a suite of proposed new and updated national direction. The effectiveness of this suite will be difficult to measure at an 'instrument level' due to the

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collective regulatory impacts of the combined suite. At this time, MfE has not confirmed how it will monitor this national direction.

194. The NPS-EN amendments do not include monitoring provisions that specify a monitoring period. Due to the forthcoming RMA replacement legislation, and the new national direction that will accompany the replacement legislation, it is unlikely that the current suite of new and amended national direction will be in place beyond the next 5-year period.

195. While the Minister for the Environment remains responsible for monitoring the effectiveness of national direction, there is no time period prescribed in the RMA. Local authorities are required to monitor the effectiveness of polices, rules and methods in their own policy statements or plans every 5 years; in the event that this exercise is undertaken prior to the replacement RMA legislation coming into force, it is likely that the effect of the new suite of national direction would inform that monitoring.

196. The effectiveness of these policies could be measured through the monitoring of data held in the National Monitoring System (NMS) which holds data on the processing of resource consents. The data held in this system would require further analysis as it does not categorise consent applications based on activity, but rather the type of consent applied for and its activity status.

197. Additional information could also be obtained through surveys of infrastructure providers (and others), or from monitoring data held by local authorities.

Appendix A – Regulatory and non-regulatory options previously considered

There have been numerous reviews and consultations informing the proposals in this consultation document, including a review of the effectiveness of NPS-REG, NPS-ET and NES-ETA, which highlighted several limitations and issues. In 2019 the Government decided to strengthen existing national direction on REG and transmission. Public consultation on proposals took place in 2019-2020 through MBIE's discussion document *Accelerating Renewable and Energy Efficiency.*

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

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

There was strong support to strengthen national direction on renewable electricity generation and transmission infrastructure. Options C, D and E were discounted due to:

- Inability to address limitations within NPS-ET and NPS-REG or provide clear policy direction on the need to significantly increase renewable electricity generation or transmission capacity (options C and D)
- Limited effectiveness as stand-alone option (option E).

The preferred option was a combination of options A and B:

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

The April 2023 consultation included an exposure draft of a proposed NPS-ET and proposed amendments to NES-ETA[48] with two options:

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

Both options sought to provide:

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

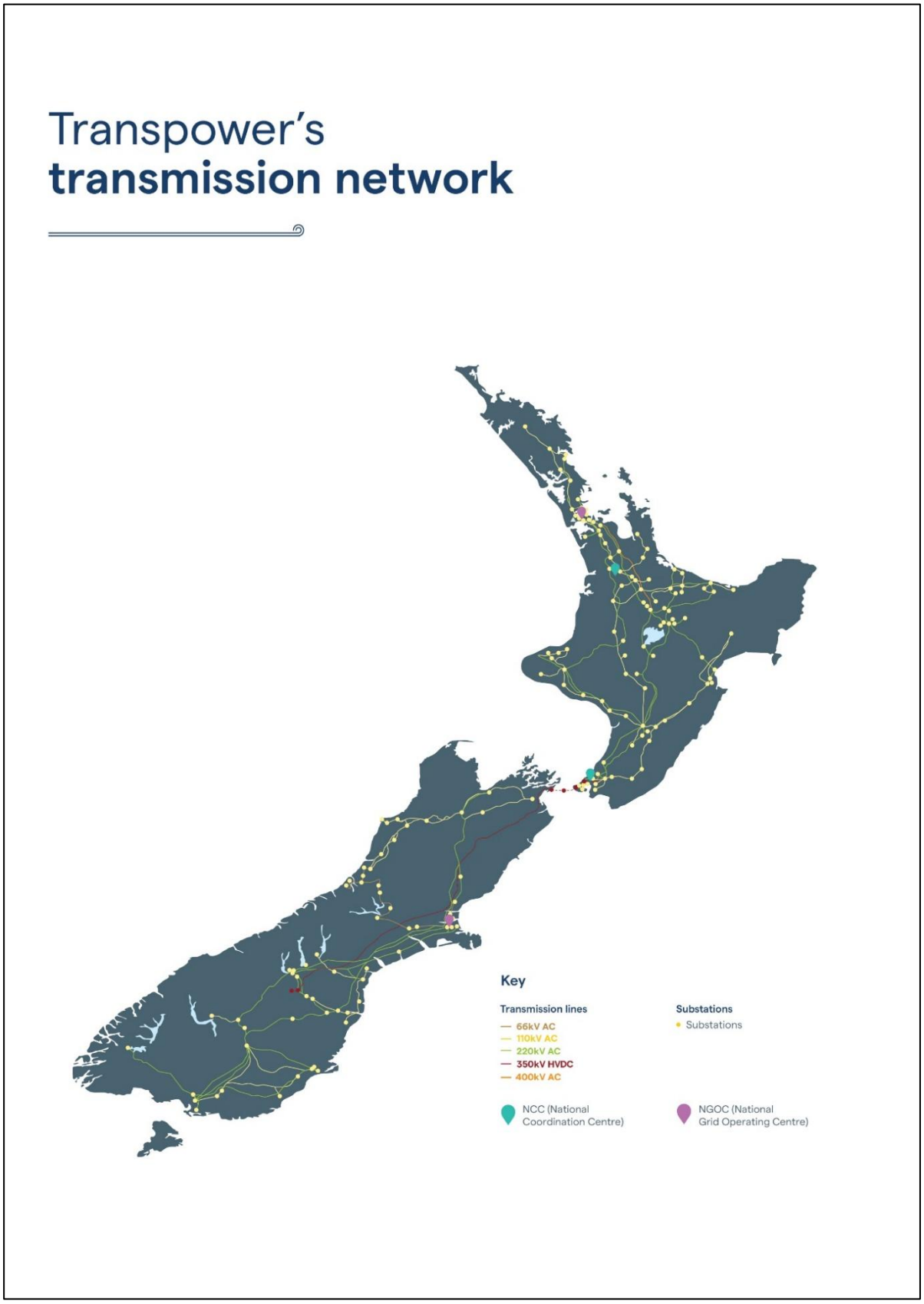
Consultation feedback suggested that the proposals were incomplete and would not meet the objective of providing more enabling and certain policy direction for upscaling electricity networks to

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

meet climate objectives and increased demand, whilst still protecting significant environmental values.

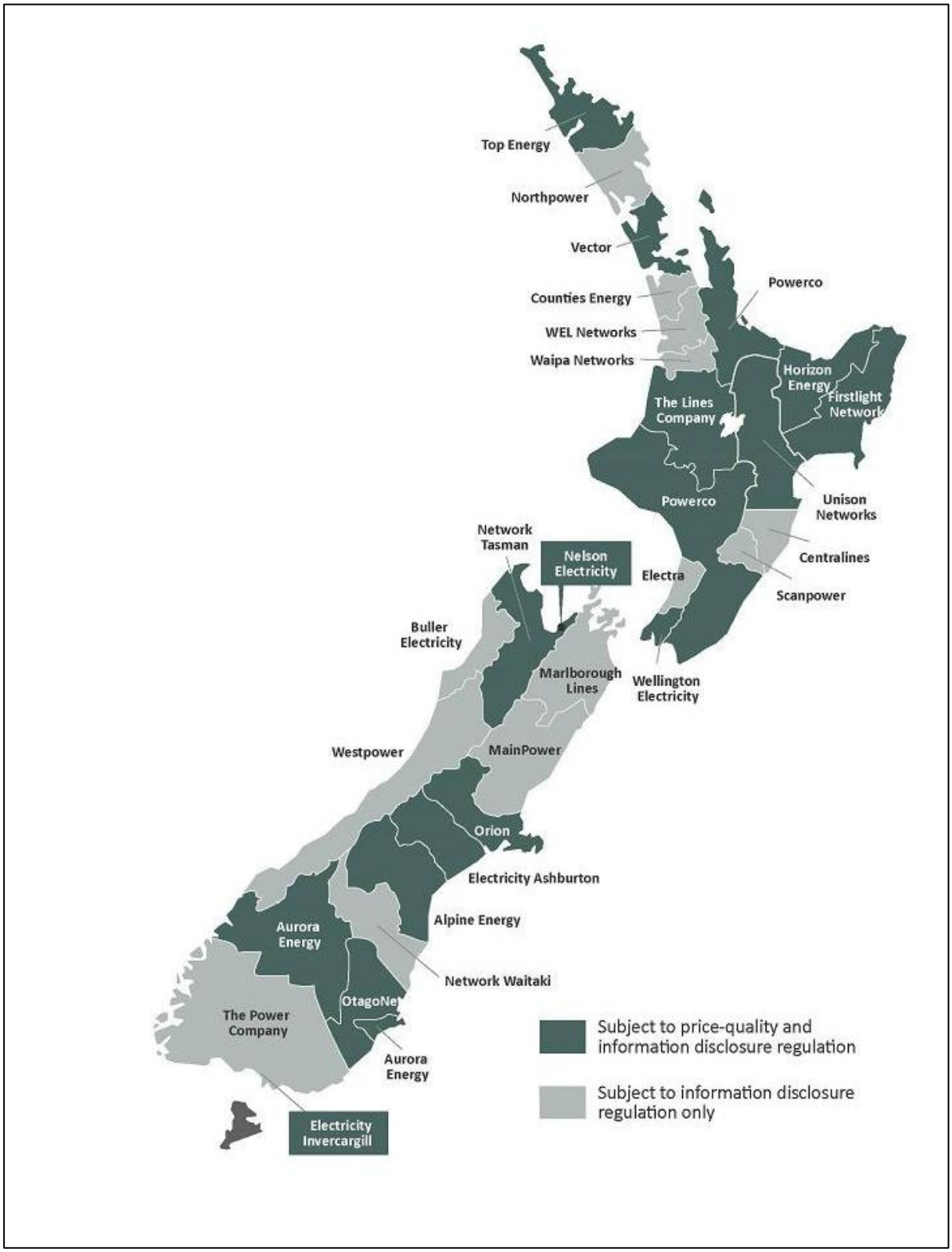
Following the change of government in October 2023 the Electrify NZ work programme was initiated to enable the development of electricity networks by providing more certainty and reduced need for consents. The objectives of this programme were included in the Phase 2 national direction programme.

Appendix B - Map of the National Grid in New Zealand



Source: Transpower, 2025

Appendix B continued - Map of Electricity Distribution Business districts



Source: Commerce Commission, 2025

Appendix C - Evidence of the problem

This Appendix includes a summary of evidence:

- Summary of relevant publications and case law
- Case studies demonstrating resource management challenges
- Case studies of transmission route constraints mapping for Northland, Central North Island and Western Bay of Plenty.

Officials have sourced evidence for the problem from the following:

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

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

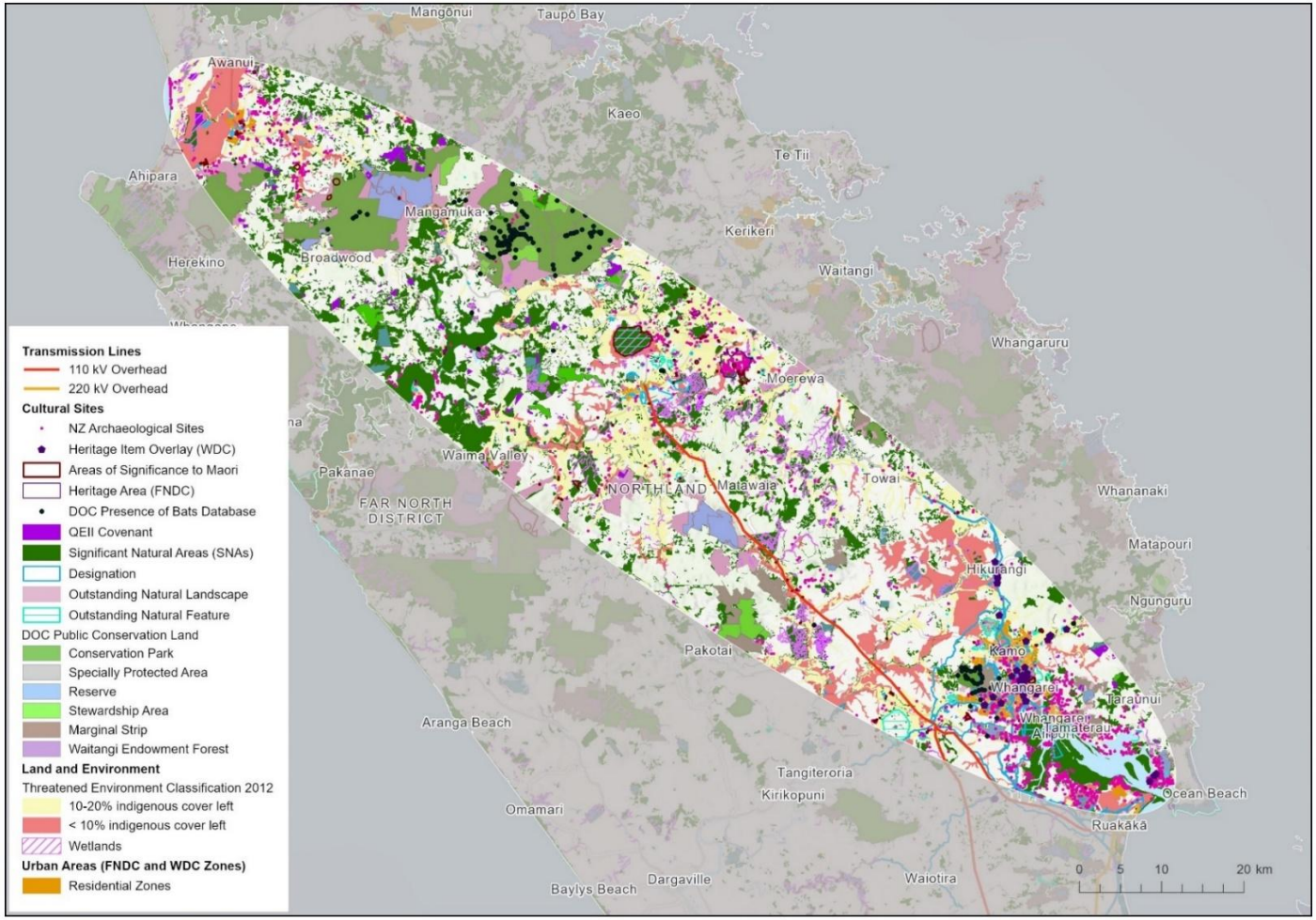
Appendix C: Key summary of evidence

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

Source		Evidence of problem
11.	Hairini Realignment Project *High Court found that an option was "possible" where it was "technically feasible …whatever the cost" and that avoidance of adverse effects was "possible" in this case.*[1]	Transpower sought to realign part of its Hairini to Mount Maunganui 110kV transmission line by removing the line off Te Ariki Park (a site of significance to Māori) and into a road corridor (and onto an existing line in places). A structure was also proposed to be removed from the harbour. Tauranga Environmental Project Society Inc and Maungatapu Marae Trustees opposed the realignment as it would traverse an ONL (the harbour) and a structure would be located in front of the Maungatapu Marae. Because the harbour is an ONL, the RMA requires its preservation must be recognised and provided for by decision makers. The High Court prevented Transpower from undertaking the works due to the effects on the ONL, which has cultural significance and was protected by strong avoidance policies in the NZCPS, and that avoidance of adverse effects was possible. However, Transpower considered avoidance was impossible due for the need for the line to cross the harbour.

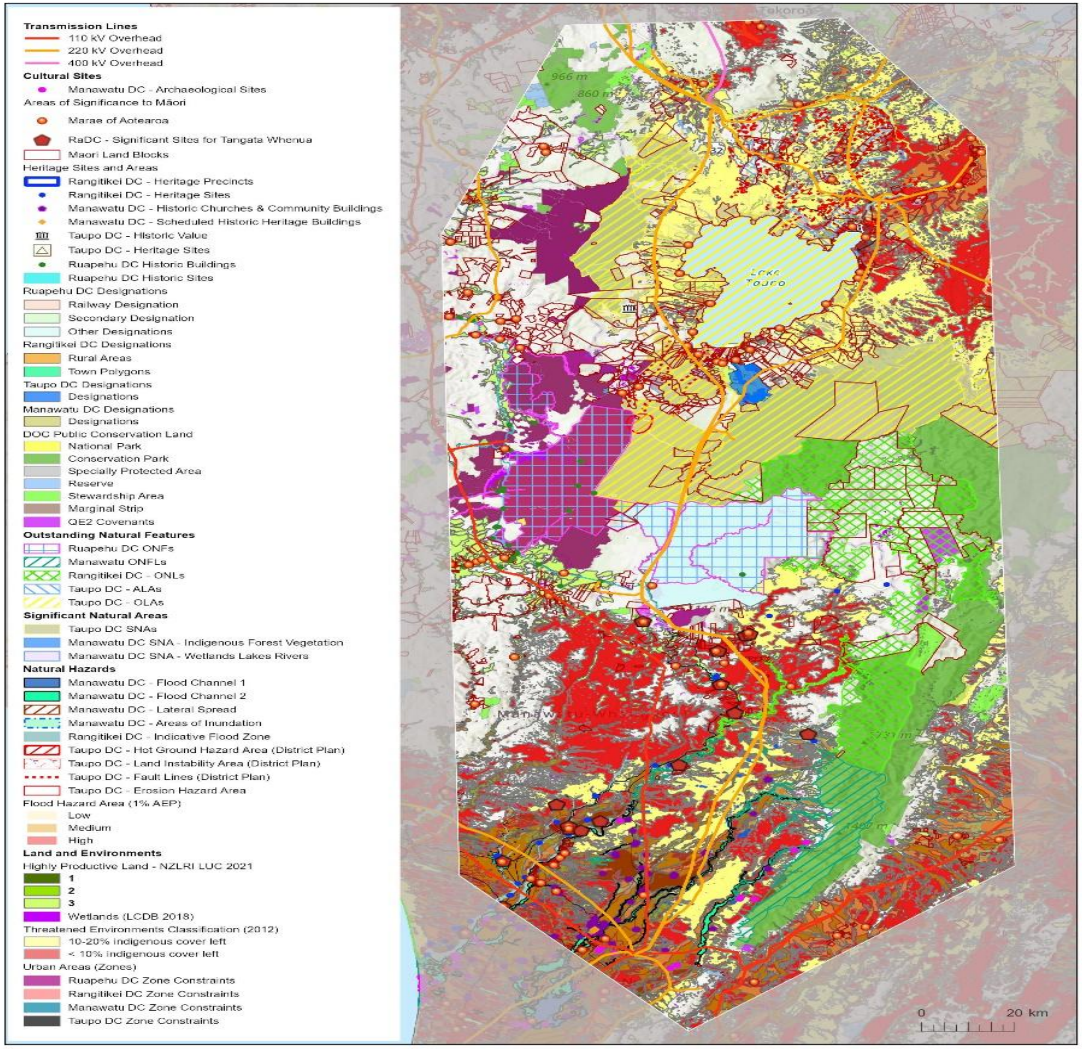
Appendix C continued – evidence: constraints mapping

Northland (*theoretical project*)



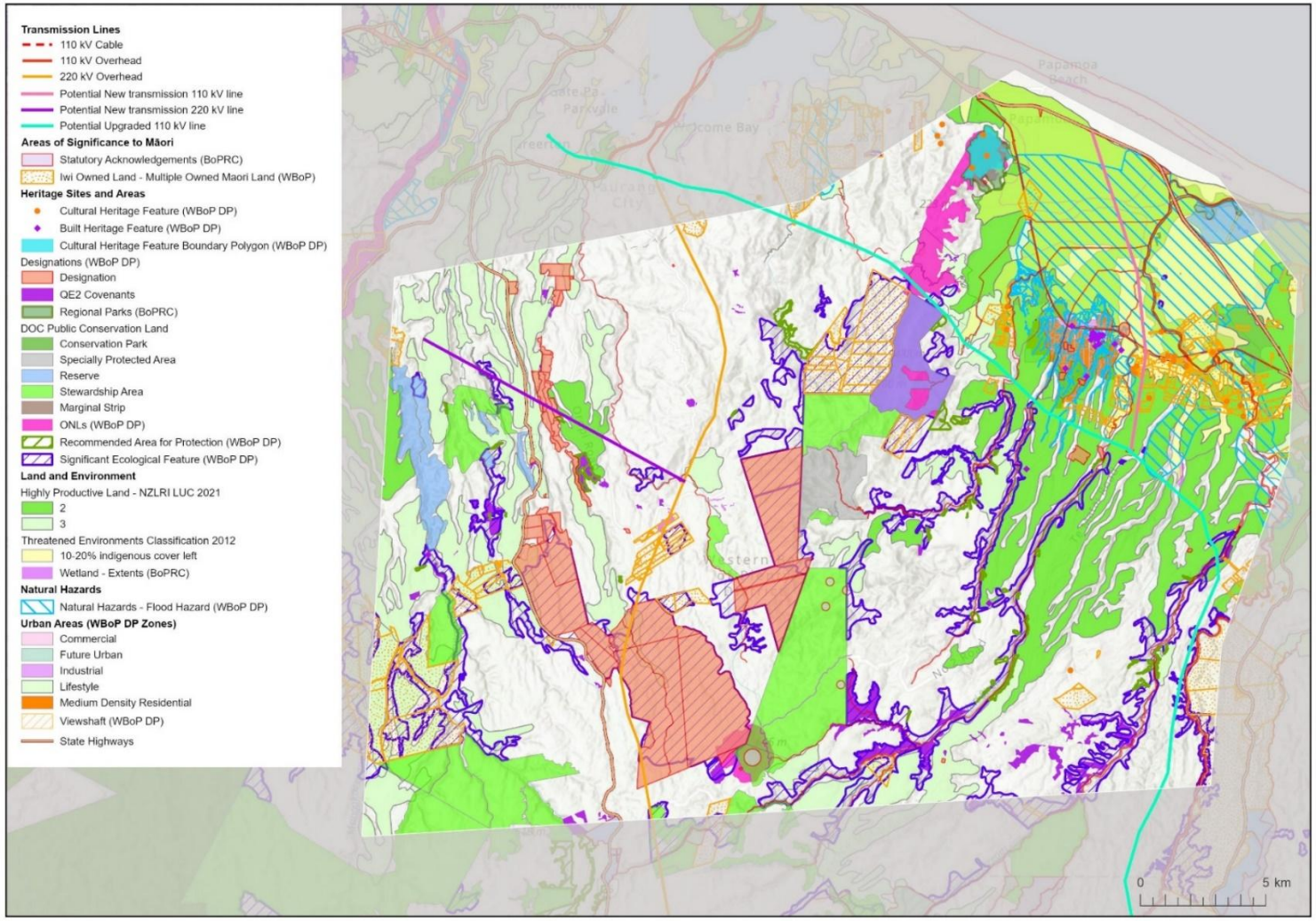
Source: Transpower (March 2025)

Central North Island (under investigation, part of Net Zero Grid Pathways Project)



Source: Transpower (March 2025)

Western Bay of Plenty (current network project)



Source: Transpower (March 2025)

Appendix D – Policy assumptions and limitations

Assumptions

The coalition agreements seek to reduce regulatory barriers under the RMA by enabling more ETN and EDN activities and to achieve the Electrify NZ objective to double REG by 2050.

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

a. amount and location of demand for electricity

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

c. amount and location of investment in new renewable generation

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

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

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

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

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

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

We have limited evidence to support the inclusion of distribution activities in this proposal, beyond discussions with local government practitioners, the sector and the Boston Consulting Group report assessment of the investment required in distribution to support electrification. The proposal was generally supported by submitters on the NPS-EN in the statutory consultation.