

17<sup>th</sup> February 2023

Committee Secretary  
Environment Committee  
Parliament Buildings  
Wellington

To members of the Environment Committee,

**Submission to Environment Committee's inquiry on the Natural and Built Environments Bill**

The Electricity Networks Association (ENA) appreciates the opportunity to make a submission to the Environment Committee's inquiry on the Natural and Built Environments Bill (NBEB). The ENA is the industry membership body that represents the 27 electricity distribution businesses (EDBs, sometimes called lines companies) that take power from the national grid and deliver it to homes and businesses. The ENA harnesses the collective expertise of members to promote safe, reliable and affordable power for our members' customers.

We are pleased to see the Government's stated objectives for the new planning systems includes<sup>1</sup> to *"better enable development within natural environmental limit"* and *"improve system efficiency and effectiveness, and reduce complexity while retaining appropriate local democratic input."*

Electricity networks owned and operated by EDBs will be critical enablers of New Zealand's transition to a low carbon economy. The electricity system is comprised of several different elements (generation, transmission, distribution), which are owned and operated by different organisations. However, this system requires all these elements to deliver the end service to consumers. No single element is capable of doing this in isolation. It is therefore important that all elements of the system receive the same level of recognition in the planning legislation – the system is only as strong as its weakest link. It is at the distribution level of the electricity system that the vast majority of consumers will receive the infrastructure service that will enable them to take advantage of new technologies, such as electric vehicles and peer to peer trading of distributed generation (e.g. solar photovoltaic

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<sup>1</sup> <https://environment.govt.nz/what-government-is-doing/key-initiatives/resource-management-system-reform/overview/#why-the-system-needs-reforming>

systems). The uptake of these technologies will be key to New Zealand achieving its low carbon objectives.

New Zealand is also striving to build more housing, which the Government aims in part to address by smoothing the path for the provision of infrastructure that is necessary for the construction of housing. Electricity distribution networks provide one of the fundamental infrastructure services that housing requires, and therefore the NBEB and associated planning legislation must enable distribution infrastructure to the greatest extent possible.

A recent report by the Boston Consulting Group<sup>2</sup> estimated a need for \$22 billion of investment in distribution networks, in this decade alone, to enable electrification. While EDBs are working hard to adopt new technologies and techniques allowing them to serve consumers effectively and efficiently there will nevertheless be some need to upgrade existing electricity lines and build new ones. It is therefore vital that planning legislation, such as the NBEB, enables these activities to be undertaken by EDBs as cost-effectively as possible.

In summary, the distribution sector needs the new planning system to:

- i. Recognise the importance of distribution networks as a critical component of the electricity system, with specific references and provisions in both the NBEB and National Planning Framework;
- ii. Protect the existing distribution network from direct impacts from others' activities, especially in urban areas, by driving greater compliance with the New Zealand Electrical Code of Practice for Electrical Safe Distances (NZECP 34:2001) at the consenting stage;
- iii. Provide an enabling pathway for routine maintenance activities, such as vegetation management, to be carried out on the existing distribution network;
- iv. Transition smoothly and promptly from the existing planning system, with provision for existing designations and consents to be carried over.

In appendix A of this letter we have provided some specific comments around the aspects of the NBEB that are of greatest importance to our members. We have largely focussed our submission on high-level issues and concepts, rather than specific wording in the NBEB, though we do cover this in places.

If there is any further support ENA can provide to the committee in considering this submission, please contact Richard Le Gros (richard@electricity.org.nz, 04 555 0075).

Yours sincerely,



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Manager, Policy and Innovation  
Electricity Networks Association

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<sup>2</sup> <https://www.bcg.com/publications/2022/climate-change-in-new-zealand>

## **Appendix A – ENA submission to the inquiry on the Natural and Built Environments Bill**

### **1. Definitions**

- 1.1. ENA suggests that an additional definition for ‘built environment’ be developed and included in the NBEB. This need not be overly complex but will provide additional clarity and avoid potential disputes about what is meant by this term. Given that this term is present in the title of the bill, it seems sensible to define this. There may be useful definitions already in existence – perhaps in other legislation or planning documents – that could be adopted.
- 1.2. The drafting of the NBEB focuses on ‘infrastructure services’, in terms of the systems outcomes sought (section 5 (i)), rather than the infrastructure (i.e. physical assets) themselves. While ultimately it is the services that infrastructure enables that is of value to individuals, businesses and communities, rather than the infrastructure in and of itself – there is a risk that these closely related but distinct concepts become divorced from one another when plans are drafted.
- 1.3. ENA recommends that to remedy this, a definition for ‘infrastructure services’ is added to the NBEB. This would then explicitly link these services to the physical infrastructure assets themselves. In this way, when plans and policies are obligated to enable infrastructure services, it is much clearer that, by necessity, this must also enable the infrastructure assets that provide these services.
- 1.4. We do not understand why the definition for ‘development infrastructure’ does not also include electricity distribution infrastructure. As the drafting stands, ENA considers that electricity distribution is as important as three waters and roading to providing new housing capacity, and therefore recommend this be added to the definition of ‘development infrastructure’.
- 1.5. ENA is concerned that the definitions of both ‘industrial or trade process’ and ‘industrial and trade premises’ will capture electricity distribution assets, even though we do not think that this is the intended outcome. The use of an electricity distribution asset such as a transformer to increase or decrease electrical current is not comparable to an industrial process that uses a raw material for some industrial purpose. The electrical power is not consumed or altered (other than the current) and no waste or by-products are produced in the process of transformation.
- 1.6. ENA suggests that an additional sub-clause be added to both the definitions of ‘industrial or trade process’ and ‘industrial and trade premises’ to explicitly exclude, respectively, processes and premises that are covered by a national planning framework rule.

### **2. General issues and observations**

- 2.1. ENA is concerned at the limited amount of time made available for stakeholders, such as the electricity distribution sector, to review and develop feedback on the proposed NBEB and Spatial Planning Bill (SPB). While we understand the desire for urgency, ultimately New Zealanders will be poorly served if the resulting legislation is delivered sooner but with some critical deficiencies in its drafting. Making a more reasonable amount of time available for input into the specific drafting of the NBEB and SPB, even if this introduces additional delays to its implementation, would be time well spent.
- 2.2. In its current layout the NBEB is a very lengthy and difficult document to interpret. The grouping of clauses into sections, and the chain of cross-references between clauses and sections, is in places haphazard and difficult to follow. By way of example, matters related to designations do not consistently fall within the ‘designations’ sub-part of the NBEB. We suggest the layout of the NBEB is reviewed to ensure ease of reading and improved grouping of relevant clauses and sub-clauses.

- 2.3. Repeating a point from our earlier submission on the exposure draft of the NBEB, ENA remains concerned that while there is no explicit hierarchy in the system outcomes listed under clause 5, nevertheless one will be developed or inferred. Some of the verbs used in this clause (e.g. protect, achieve, enhance, recognise, provide, etc) could easily be interpreted as indicating the strength of the consideration decision-makers must give to each outcome. To pick two sets of contrasting examples, 'protect' and 'achieve' are arguably much stronger requirements than 'recognise' or 'provide for'. To address this risk we again recommend that the first sentence of clause 5 explicit state that no hierarchy of outcomes is implied or should be inferred.
- 2.4. ENA proposes that the system outcome described under section 5 (i) in the NBEB be amended to explicitly encompass the maintenance of existing infrastructure assets that enable the infrastructure services referred to in this clause. While this is arguably implied by the phrase 'ongoing', we believe a more explicit reference to the maintenance of infrastructure – which comprises the vast majority of the activities that EDBs carry out – needs to be incorporated.
- 2.5. Revised drafting for clause 5 (i) that encompasses this could be as follows:
  - (i) the ongoing and timely provision of infrastructure services to support the well-being of people and communities, including the maintenance of the infrastructure that enables these services.
- 2.6. ENA strongly recommends that “distribution” be included in Clause 58(e), so that the National Planning Framework (NPF) must include in its content direction on the enabling of electricity distribution. As we have explained in the covering letter to our submission, the provision of renewable electricity to New Zealand’s homes and businesses will rely heavily upon well-functioning and efficient distribution networks. It will not be possible to achieve the government’s outcomes of decarbonisation and electrification of New Zealand in an efficient manner without including distribution networks in the key provisions of the new planning system, in particular the NPF.
- 2.7. In common with other providers of linear network infrastructure, EDBs are largely constrained in terms of deciding where their infrastructure must be sited. If a community or business require a new electricity distribution connection, then that new network must generally follow the shortest route between the existing network and these new customers. In the vast majority of cases, it will not be possible to build a circuitous network between these two points to avoid, for example, sensitive environments, while still providing an affordable supply of electricity to these customers.
- 2.8. In addition, electricity distribution assets already located within sensitive areas must be able to be maintained, including maintenance of access ways and vegetation clearances, to ensure both public safety and security of supply to electricity consumers.
- 2.9. For these reasons, the new planning system must allow for exemptions from environmental limits in an agile and effective way, whilst still protecting the natural environment to the greatest extent possible.
- 2.10. ENA notes that clauses 44-46 of the NBEB provide that exemptions to environmental limits can be inserted only following a request by planning committees to the Minister, and then subsequent amendment to the NPF. We recommend that this drafting be changed so that the Minister has powers to include exemptions to limits in the NPF without request, subject to considerations. If that power is provided for, the relevant section of the NPF should include exemptions to limits for electricity distribution infrastructure. The distribution sector is happy to work with government to develop such exemptions in a collaborative, transparent and proportionate way.

### **3. National Planning Framework**

- 3.1. EDBs and ENA are working closely with our peers in the electricity sector, along with Te Waihanga and the Ministry for the Environment (MfE), to develop enabling provisions for inclusion in the NPF.
- 3.2. We propose that the NBEB be amended to incorporate a general requirement for sector-specific safety regulations to be considered during the consenting process. We will follow this up with a specific proposal in the NPF that compliance with the New Zealand Electrical Code of Practice for Electrical Safe Distances (NZECP 34:2001) be a mandatory consideration during the consenting process.

### **4. Transition**

- 4.1. ENA understands that the transition to the new planning system will take place over approximately 10 years. During this time each region will switch from the existing system (the RMA) to the new planning system, when the relevant regional planning committee has decided on their NBE plan.
- 4.2. We are concerned that this 'region by region' approach, over such a long time period, will introduce significant additional burdens on EDBs to engage with these processes. Particularly for EDBs that span more than one region, a region by region approach would require a duplicate internal planning capacity to support essentially the same network and assets operating under two different planning systems.
- 4.3. In addition, the long transition period means that it may be up to 10 years before the more enabling provisions the distribution sector is hoping to see in the new planning system will come into effect. EDBs are already beginning to plan for the new and upgraded capacity that will be needed in their networks, and cannot wait ten years for a more enabling regime to be put in place.
- 4.4. It is also critical that the rights held by EDBs under existing designations and resource consents are protected and carried over into the new planning system.