

20 November 2023

Ministry for the Environment | Manatū Mō Te Taiao
8 Willis Street
Wellington 6160
By email to naturalhazardRMA@mfe.govt.nz

ENA submission on the Ministry for the Environment's Proposed National Policy Statement for Natural Hazard Decision-making discussion document.

To whom it may concern,

Electricity Networks Aotearoa (ENA) appreciates the opportunity to provide a submission to the Ministry for the Environment's Proposed National Policy Statement for Natural Hazard Decision-making discussion document (NPS-NHD).

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. ENA harnesses the collective expertise of members to promote safe, reliable, and affordable power for our members' customers. ENA is supportive of the Ministry's work to provide direction to decision-makers on the appropriate weight to attach to natural hazard risk in planning decisions related to new development under the Resource Management Act 1991 (RMA).

In response to the discussion document, ENA proposes that electricity distribution assets (i.e., EDB network assets) should remain outside the scope of the NPS-NHD, as EDBs already have the competency to assess natural hazard risks to their infrastructure. EDBs are experienced and competent owners and operators of critical national infrastructure and are therefore best placed to make informed decisions on the planning of their infrastructure with respect to natural hazard risk. EDBs already have sufficient incentives to site their infrastructure in areas either without significant natural hazard risk or where this risk can be adequately mitigated. However, as the discussion document outlines, it is sometimes necessary to place infrastructure in high-risk areas to maintain services to a community. This is something that EDBs already acknowledge and actively factor into the risk assessments of their networks. ENA has reflected this position in our responses to questions 7, 9, 11 and 12, attached in Appendix A.

Do not hesitate to get in touch with ENA if you'd like to discuss any of the points raised in our submission. Please contact Richard Le Gros (richard@electricity.org.nz, 04 555 0075) in the first instance.

Yours sincerely,



Tracey Kai
Chief Executive
Electricity Networks Aotearoa



Appendix A – ENA responses to Questions 7, 9, 11, 12

1. Question 7: Should all new physical development be in scope of the proposed NPS-NHD?

Why or why not?

ENA encourages the Ministry for the Environment to consider that EDB networks should be excluded from the scope of the proposed NPS-NHD. EDBs, as critical infrastructure providers, have a well-established capability to evaluate and mitigate the risks to their infrastructure posed by natural hazards. EDBs are already highly incentivised to make well-informed decisions regarding infrastructure placement and risk management as it is in the best interest of their owners and customers to do so. Having EDB network infrastructure within the scope of the NPS-NHD adds little value because of this. At best, a planning authority (PA) will agree with the EDBs' assessment of natural hazard risk, in which case the placement of a particular piece of infrastructure will proceed as under the status quo. At worst, the PA will disagree with the EDBs' assessment of natural hazard risk and prohibit the infrastructure being put in place, contrary to the expert opinion of the EDB. The proposed NPS-NHD could hamper the ability to make timely, cost-effective, and expert-driven decisions. EDBs are best placed to balance the level of natural hazard risk at a particular site against the requirements of the wider network, the service quality and price expectations of their customers, (who are in many cases also the owners of the EDB).

If EDB network assets are included in the NPS-NHD, ENA recommends that this is only done after the Department of the Prime Minister and Cabinet (DPMC) workstream has been completed.¹ The outputs from the DPMC resilience workstream and other relevant reviews and inquiries will provide insight into infrastructure investment and risk mitigation.

2. Question 9: Do you agree with the proposed objective of the NPS-NHD? Why or why not?

In what is most likely a drafting mistake, the proposed objective, “the risks from natural hazards... and to the ability of communities to quickly recover after natural hazard events, are minimised” aims to lessen the ability of communities to recover from natural hazard events.² On the off chance this is not a simple drafting error, ENA disagrees with this proposed objective. The wording should be changed so that the objective is to enhance the ability of communities to quickly recover after natural hazard events.

ENA proposes that EDB infrastructure is not included under the NPS-NHD, however, if it is included the word “minimised” may be problematic. Without a definition of “minimised” in the proposed NPS-NHD or National Planning Standards, a common dictionary definition of ‘minimise’ (“to reduce to the smallest possible amount, extent, or degree”) can be used to interpret the word.³ This is a significant standard to impose, especially considering that in some situations there may be little that can reasonably be done to minimise a natural hazard risk. ‘Managed appropriately’ could be used

¹ [Lifting the resilience of New Zealand’s critical infrastructure | Department of the Prime Minister and Cabinet \(DPMC\)](#).

² Proposed National Policy Statement for Natural Hazard Decision-making Discussion Document, 2023, p. 20, [[Proposed-National-Policy-Statement-for-Natural-Hazard-Decision-making-Discussion-document.pdf \(environment.govt.nz\)](#)].

³ Oxford English Dictionary, Sixth Edition, 2007.

as an alternative wording. This allows for recognition that retreat or asset reinforcement are not the only options available to EDBs.

3. Question 11: What are the pros and cons of directing decision-makers to assess the likelihood, consequence, and tolerance of a natural hazard event when making planning decisions?

ENA emphasises that EDB's existing expertise and focus on infrastructure resilience already aligns with the objectives of the NPS-NHD. EDBs are well-versed in assessing natural hazard risk and EDB infrastructure is largely sited to service communities as they develop. Thus, if the PA does not allow development in an area due to natural hazard risk, the practical effect is that there is unlikely to be the need for EDB infrastructure there in any case.

EDBs are committed to ensuring that electricity networks remain resilient and continue to serve communities even in the face of extreme weather events. If EDB infrastructure must remain in the scope of the NPS-NHD, there needs to be some leeway for the PA to consider EDBs requirements for network infrastructure to sometimes be located in a hazardous area. Infrastructure will only knowingly be placed in high natural hazard risk areas if a functional or operational need exists and there is no practicable alternative location. For instance, where a community still exists that must be served (managed retreat has not been initiated) or due to the interconnectedness of electrical infrastructure, assets must traverse through a hazard zone to connect one community to another such as for security of supply.

ENA appreciates the importance of giving certainty to decision-makers on how to address natural hazard risk at different risk levels so that there is a high degree of confidence in planning and use of land. However, EDBs already seek to avoid building of their infrastructure in areas of high natural hazard risk where the level of risk is intolerable. The proposed NPS-NHD enables infrastructure development in areas of high natural hazard risk in limited circumstances, which already aligns with the approach EDBs take to having infrastructure in high hazard risk areas when it is necessary to bring electricity to a community. Directing additional oversight through the NPS-NHD has the potential to introduce unnecessary delays in EDB project implementation despite EDBs already following the relevant parts of Policy 5.

4. Question 12: What are the pros and cons of directing decision-makers to adopt a precautionary approach to decision-making on natural hazard risk?

EDBs, with their focus on infrastructure resilience, already adopt a precautionary approach in their decision-making processes. Their commitment to safeguarding critical infrastructure aligns with the objectives of the NPS-NHD.

Appendix B – ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below.

Alpine Energy
Aurora Energy
Buller Electricity
Centralines
Counties Energy
Firstlight Network
Electra
EA Networks
Horizon Energy Distribution
Mainpower NZ
Marlborough Lines
Nelson Electricity
Network Tasman
Network Waitaki
Northpower
Orion New Zealand
Powerco
PowerNet
Scanpower
Top Energy
The Lines Company
Unison Networks
Vector
Waipa Networks
WEL Networks
Wellington Electricity Lines
Westpower