27 July 2025

National Direction Consultation
Ministry for the Environment
PO Box 10362
Wellington 6143

Lodged via: https://consult.environment.govt.nz/resource-management/freshwater-national - direction/consultation

Tēnā koutou

Powerco Submission on National Direction Package 3: Freshwater

1. Powerco Limited (Powerco) welcomes this opportunity to provide feedback on consultation to amend two existing national direction instruments on freshwater.

About Powerco

2. Powerco is New Zealand's largest electricity and second-largest gas distributor by network length. Our networks span the upper and lower central North Island, servicing approximately 1.1 million customers across 450,000 homes, businesses, and industries. This represents 46% of the country's gas connections and 16% of its electricity connections.

3. Our electricity distribution network extends over 28,000 km, and our gas network covers more than 6,170 km. With this wide geographical reach, our infrastructure traverses a diverse range of environments - urban, rural, and remote. For example, our networks on the Coromandel Peninsula pass through Outstanding Natural Features and Landscapes, Significant Natural Areas, the Coastal Marine Area, conservation land, wetlands, and multiple planning zones.

4. We are a requiring authority, operating across six regions, under 29 district plans, and pursuant to numerous resource consents and designations. Powerco is also listed as a "Lifeline Utility" under the Civil Defence Emergency Management Act 2002, reflecting the essential role of our services in supporting community resilience and emergency response.

5. Our existing distribution infrastructure must be maintained, repaired, and upgraded to ensure reliable supply and meet increasing demand. This includes expanding capacity, improving resilience, and

supporting the uptake of low-emissions technologies. Meeting this demand, while managing environmental and planning constraints, is vital to achieving New Zealand's net zero 2050 target.

6. The outcomes sought through this submission are intended to support these objectives by providing greater national consistency, enabling essential infrastructure works, and reducing regulatory duplication and uncertainty. The proposed changes aim to ensure that Powerco can continue to deliver safe, efficient, and resilient energy services while adapting to the future needs of Aotearoa's communities and economy.

Relationship to wider resource management reform

Question 1 – What resource management changes should be made in the current system under the RMA (to have immediate impact now) or in the future system (to have impact longer term)? From topics in this discussion document, which elements should lead to changes in the current system or the future system, and why?

7. We strongly encourage the Government to take a consistent and equitable approach across sectors when reviewing and amending wetland-related regulations. The proposed changes for the farming sector introduce a more pragmatic, effects-based framework that recognises the operational realities of rural land use. A similar approach is urgently needed for electricity distribution infrastructure, particularly where it is located within existing transportation corridors.

8. As an electricity network operator, we are frequently required to obtain or consider resource consents for routine works, such as installing a new pole or underground cable, simply because a wetland buffer extends into the roadway or road reserve. These areas are already highly modified environments, and in almost all cases, our infrastructure works are minor in scale, temporary in nature, and do not cause adverse environmental effects. Nonetheless, the current rules require ecologist involvement to confirm the presence or absence of a wetland and to identify vegetation species present, often at significant cost and delays. Seasonal variation also affects whether a site qualifies as a wetland, adding further uncertainty to the planning process.

9. In many instances, consents are ultimately granted, confirming that the works are appropriate. However, the administrative and financial burden of obtaining those consents undermines the efficiency and resilience of the electricity network. This is particularly concerning given the increasing demands on distribution networks to support decarbonisation, population growth and climate adaptation.

10. We seek the following outcomes from this review:

- The construction, operation, maintenance and upgrading of electricity distribution infrastructure should be permitted within transportation corridors, including where wetland buffers overlap with the corridor;

- Provisions across other areas should be relaxed or amended to recognise the essential nature of electricity infrastructure and enable works that have minimal or no environmental effects;

- An operational need consideration should be explicitly provided for, as is common in other resource management frameworks, to recognise that infrastructure often cannot avoid these environments;

- The definition of "natural inland wetland" should be refined and positively framed i.e. based on what it is, not just what it is not. This would provide greater certainty and reduce reliance on expert interpretation.

11. We support the proposed improvements to wetland definitions as a step in the right direction. However, a targeted and enabling framework for electricity distribution infrastructure, particularly within transport corridors is essential to reduce regulatory inefficiencies, improve national consistency, and better reflect the practical realities of operating and developing critical infrastructure. We strongly encourage these changes to be made within the current RMA framework so they can take effect immediately, enabling industry to realise the benefits now rather than waiting for implementation under Phase 3 RMA reforms.

Part 2.5: Addressing water security and water storage

Question 19. What are your views on the draft standards for off-stream water storage set out in Appendix 2: Draft standards for off-stream water storage? Should other standards be included? Should some standards be excluded?

12. We note that the Building (Dam Safety) Regulations reference critical or major infrastructure, but only in the context of classifying the potential consequences of an uncontrolled release. However, Appendix 2 of the consultation document does not include any reference too or provisions requiring consideration of critical infrastructure, such as the Electricity Network, during the siting or development of off-stream water storage facilities.

13. Given the essential and geographically dispersed nature of Electricity Distribution Network, we recommend the inclusion of an additional standard requiring off-stream water storage developments to assess potential impacts on electricity infrastructure. This should include appropriate offsetting, alignment, or mitigation measures to avoid adverse effects on existing electricity networks. Such a

provision would avoid conflict, improve safe outcomes, and support the resilience and functionality of nationally significant infrastructure.

Question 20. Should both small-scale and large-scale water storage be enabled through new standards?

14. We are neutral on whether the standards should distinguish between small-scale or large-scale off-stream water storage in terms of eligibility or enablement. However, regardless of scale, we consider it essential that any enabling provisions include standards that safeguard critical infrastructure, particularly the Electricity Network.

Part 2.6: Simplifying the wetlands provisions

Question 23. What will the impact of removing the requirement to map wetlands by 2030?

15. While we acknowledge the challenges some councils face in meeting the 2030 deadline for mapping all natural inland wetlands, we note that comprehensive mapping of significant environmental features, such as wetlands, provides clarity when planning, upgrading, or replacing infrastructure. This is particularly relevant for the electricity distribution network, which must span wide and varied environments.

16. Under the current framework, Electricity Distribution Businesses (EDB's) are required to assess all potentially wet areas to determine whether they qualify as natural inland wetlands and then apply setback distances of 10 meters or 100 meters depending on the activity. This introduces considerable uncertainty, delays, and inefficiencies when planning operational or maintenance activities.

17. Although proposed definitional improvements may help clarify requirements, a more effective and pragmatic approach for electricity infrastructure would be to adopt one of the following regulatory options:

    - An exclusion for existing electricity infrastructure, recognising that electricity assets already in place should not be subject to retrospective regulatory constraints that hinder essential maintenance and upgrades;

    - A specific exemption for transport corridors, acknowledging the unique functional need for these networks to traverse long distances through diverse landscapes. In particular, we have encountered significant challenges where wetland setback buffers extend into existing transport corridors, environments that are already highly modified and not representative of natural wetland conditions. These setbacks introduce unnecessary complexity and delay into projects that are otherwise operating within a disturbed, managed setting. We strongly recommend that the regulations distinguish between truly natural environments and highly modified corridors when applying buffer requirements.

- A more enabling and balanced framework, akin to that proposed for the agricultural sector, which provides clearer activity pathways via permissive standards. A similarly enabling approach should be extended to nationally and regionally significant infrastructure to ensure it can be developed and maintained efficiently while continuing to manage environmental effects appropriately.

Conclusion

18. As outlined in this submission, we have recommended targeted refinements that would reduce regulatory uncertainty, improve alignment between national direction instruments, and support consistent implementation across the country. These changes will help ensure that the national direction framework is practical, coherent, and responsive to the needs of critical infrastructure.

19. In particular, we strongly encourage the Government to broaden the scope of the NES-Freshwater review to better enable the ongoing operation, maintenance, and development of the electricity distribution network. This includes providing clear, fit-for-purpose provisions that recognise the functional and locational constraints of network infrastructure, especially within highly modified environments like transport corridors.

20. Further, the proposed standards for off-stream water storage present an opportunity to ensure the safety and resilience of both infrastructure and the communities it serves. Including specific recognition of electricity networks within those standards would support better outcomes and avoid unintended conflicts during planning and construction.

21. Ultimately, these refinements are essential to enable safe, reliable, and future-focused electricity services that support the wellbeing of communities.

22. Should officials require any additional information regarding Powerco or the changes sought above, please do not hesitate to contact us via Adam Du Fall, Head of Environment, Ph +64 6 759 6268, Mobile +64 27 603 0833 or email: planning@powerco.co.nz.

Ngā mihi,

Adam Du Fall
Head of Environment
POWERCO

Powerco has read and acknowledges the Privacy Statement outlined in the Consultation Document dated May 2025.