

AGENDA

SUPPLEMENTARY

Council
Wednesday 23 March 2022 at 10.30am

Northland Regional Council Supplementary/Tabled Agenda

Meeting to be held remotely
on Wednesday 23 March 2022, commencing at 10.30am

Recommendations contained in the council agenda are NOT council decisions. Please refer to council minutes for resolutions.

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TITLE: Receipt of Supplementary/Tabled Report: Renewable Energy Zones

From: Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience

Executive summary

A 'placeholder' was included in the council agenda indicating the supplementary information was required before presenting the full report to council.

Northpower and Top Energy presented to the Northland Mayoral Forum and all four Northland councils' workshops during early March, with a request for a joint councils' submission in support of Renewable Energy Zones (REZ) in Northland to be submitted in the Transpower REZ Consultation. The Transpower closing date for submissions is Friday 8 April 2022. To allow for a joint councils' submission to be possible, all four Northland councils have put a joint draft submission through their respective March council meetings. A staff member from each council was nominated to formulate the draft joint submission on Monday 7 March. The draft was completed by Friday 18 March which missed council's agenda publication deadline of 16 March 2022.

Recommendation

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following tabled/supplementary report be received:

- Renewable Energy Zones.

Authorised by Group Manager

Name: Victoria Harwood

Title: Pou Tiaki Hapori - GM Community Resilience

Date: 18 March 2022

TITLE: Renewable Energy Zones.

From: Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience

Authorised by Group Manager/s: Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience, on

Executive summary/Whakarāpopototanga

The purpose of this agenda item is to present the draft joint submission from Northland councils on the Renewable Energy Zones (REZ) consultation conducted by Transpower.

Transpower are currently consulting on REZ in Aotearoa New Zealand and on the opportunity to pilot a REZ in Northland. Representatives from Northland's network operators have presented to various councils' forums across the region, drawing attention to the consultation.

Staff were asked to coordinate a joint submission on behalf of the councils in Northland incorporating elected member feedback to date. A draft submission has been attached to this report for approval. Delegation is also sought to approve any additional feedback received from elected members to finalise the submission from Northland Regional Council.

Recommendation(s)

1. That the report 'Renewable Energy Zones.' by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience and dated 10 March 2022, be received.
2. That the Draft Joint Submission on Renewable Energy Zones (Attachment B) is approved by council.
3. That the council delegates to the Chair the authority to finalise the submission in conjunction with the Far North, Whangarei, and Kaipara district council mayors, to reflect any further elected member feedback.

Options

No.	Option	Advantages	Disadvantages
1	Approve the joint submission and delegation	Allows the submission to be processed and provided to Transpower, demonstrating Northland local government support.	Council will not be part of the joint submission
2	Not approve the submission	Status quo.	This would indicate a lack of local government support for a pilot REZ in Northland and the region will not be able to realise the associated benefits if

			the pilot was not confirmed as suggested.
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The staff's recommended option is one – to approve the joint submission and delegation.

Considerations

1. Environmental Impact

This decision supports a future potential REZ pilot project for the region, which will have environmental benefits for the region.

2. Community views

There is community interest in Renewable Energy Zones and the potential for Northland. The councils have taken this into account and included it in the joint submission.

3. Māori impact statement

The Northland network operators have committed to engaging with iwi/hapū as they have done with councils. The fact that any REZ application would still travel through the regulatory RMA process, which offers avenues for input from iwi/hapū, provides a level of comfort.

The draft joint submission recognises the need to work in partnership with hapū and iwi recognising Te Ao Māori principles, to help realise Māori aspirations

4. Financial implications

There are no current financial impacts from providing a joint submission. There may be future opportunities for the Northland Regional Council in relation the Renewable Energy Zones which may have financial implications which could be addressed through the Long-Term Plan.

5. Implementation issues

The Transpower public consultation for submissions on Renewable Energy Zones closes on Friday 8 April 2022.

6. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against the council's significance and engagement policy because it is part of council's day to day activities. This does not mean that this matter is not of significance to Tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

7. Policy, risk management and legislative compliance

The submission is compliant with the Transpower consultation process and there is no other legislative compliance associated with the decision being made.

Background/Tuhinga

Transpower is consulting on a proposal to introduce REZ in New Zealand, as a way of facilitating new renewable energy generation investment that may otherwise be deterred by network upgrade costs.

The Northland region has been identified as a candidate for New Zealand's first REZ due to its high renewable generation potential, high developer interest and limited existing capacity on the transmission and distribution networks. Transpower, Top Energy and Northpower are seeking feedback on whether there is support for the Northland pilot.

Formal consultation commenced on 28 February 2022 and closes on 8 April 2022. It is being brought to each Northland council's March meeting to meet these timeframes.

What is a REZ?

A REZ is where multiple generators (e.g., solar, geothermal or wind farms) or major electricity users co-locate to share connections to the grid, enabling cost effective investment in electricity infrastructure.

Typically, based on overseas examples from Australia and the United States, a REZ is located in regions that may be abundant in renewable energy resources, but are some distance from transmission infrastructure, or require transmission upgrades to connect new generation. By capitalising on economies of scale and sharing construction costs, generators' cost to connect is reduced, helping to removing barriers to the construction of renewable energy generation projects.

Why Northland?

Northland has been identified as a pilot area because of its significant wind and solar resources, and the strong generation investment interest already in the region, with dozens of applications already received by the three network owners. However, Transpower, Top Energy and Northpower advise that their networks are already at capacity in places, meaning that without network upgrades further generation projects will not be realised.

Incremental network upgrades of existing transmission infrastructure could unlock up to 410MW to 700MW of renewable energy from across Northland. This is in addition to the potential for widespread adoption of rooftop solar across the region.

Benefits to Northland

The Northland consultation document identifies several benefits to Northland from the REZ, including:

- Consumer benefits – A REZ could reduce electricity prices through increased local generation, helping reduce energy hardship for consumers in what is currently the highest-cost region of New Zealand. Lower prices could in turn support the establishment of new business and economic activity in the region.
- Stimulating the local economy through investment in construction of new generation and network infrastructure, including job creation and workforce training.
- Ongoing employment opportunities post construction in maintenance and operations.
- Building resilience - A Northland REZ would strengthen the region's ability to be a net exporter of electricity.

Benefits to New Zealand

Leveraging Northland's renewable energy resources also has benefits to wider New Zealand by:

- Unlocking the potential for more renewable generation to contribute to New Zealand's 100% renewable electricity target.

- Increasing the resiliency of the energy system into the upper North Island through a diversified electricity supply into Auckland.

Regulatory context

The REZ concept proposed by Transpower works within existing regulatory frameworks. This means that any projects, whether new transmission assets or new generation projects, would still go through normal consultation, planning and environmental consenting processes under the Resource Management Act (RMA).

Consultation

Northland's network operators have drawn this consultation to the public and key stakeholders' attention throughout the region. They have presented to the Mayoral Forum as well as to Northland's councils various forums. The consultation document on the Northland Pilot is provided at **Attachment 1** and more information is also available on the Transpower website if required. Direction was provided for council staff to coordinate a joint submission to the consultation.

Discussion

Staff from Northland councils have worked together to draft a joint submission based on the key points provided by elected members via the various presentations and discussions. The draft submission is provided at **Attachment 2**.

The draft submission is being reported to the region's March council meetings for approval. Individual councils may have further feedback informing the submission. Therefore, approval is also sought for delegation to the Chair to finalise the submission in conjunction with the mayors from Kaipara District Council, Whangarei District Council, and the Far North District Council.

A high-level summary of the key points in the submission are:

- Supportive of REZs in NZ recognising the social, economic, environmental, resilience and security of supply benefits
- Supportive of Northland being the pilot
- Councils will need to assess renewable energy provision being included in future District Plan reviews
- Northland councils look forward to working together with developers and network owners on renewable projects within the regulatory framework
- The strong desire for operators to bear costs and not the community
- Would help achieve the long-term sustainable use of Māori land and can support and strengthen marae and papakainga development
- Working in partnership with hapū and iwi is critical
- Recognising market forces, a hope that any REZ would result in reduced power costs for Northland consumers
- Other factors to take into consideration is the significant climate change and adaptation work by the Northland Councils

Attachments/Ngā tapirihanga

Attachment 1: REZ_Northland Pilot_Consultation Document [↓](#) 

Attachment 2: Joint Council's Renewable Energy Zones Draft Submission [↓](#) 



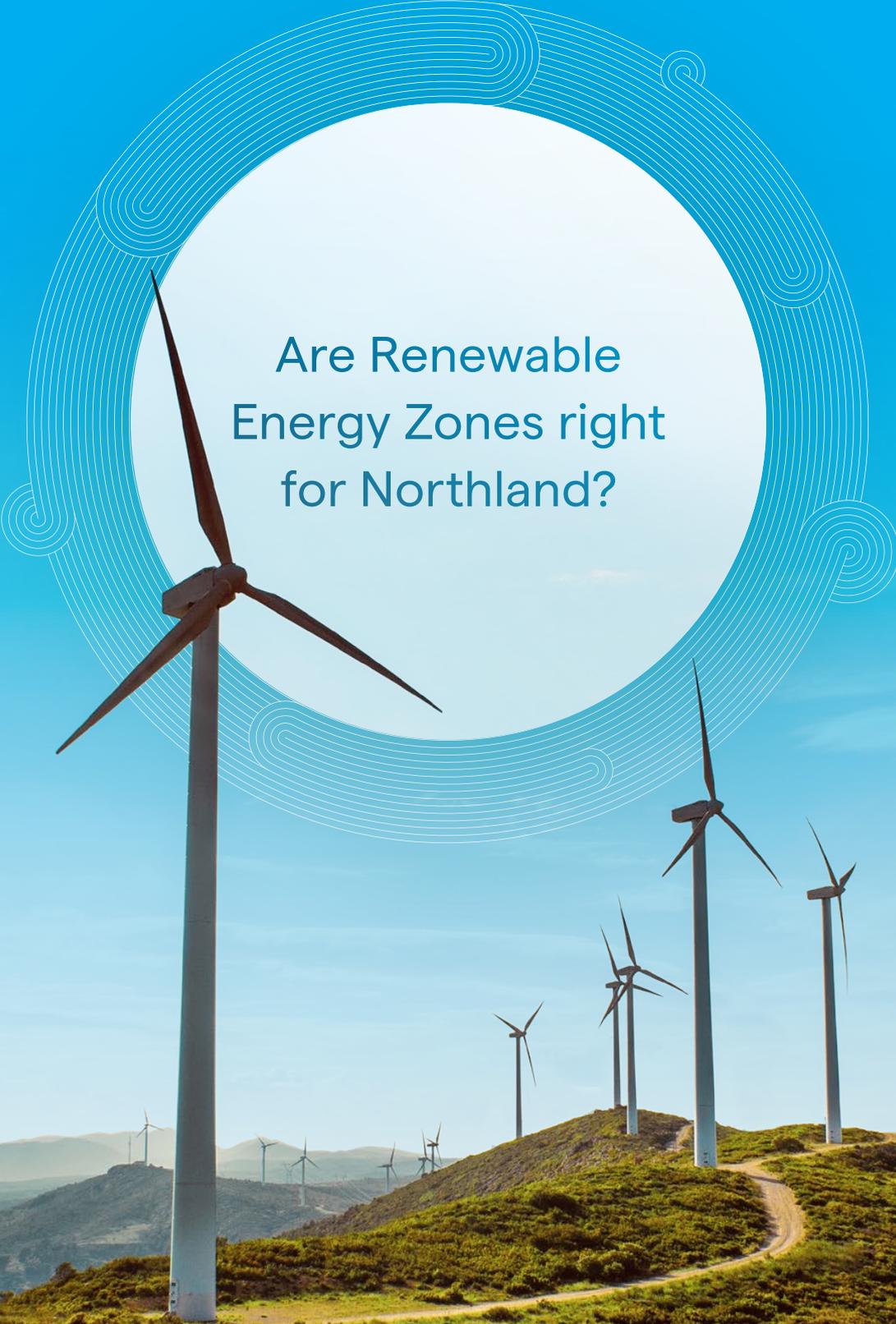
Northpower



Renewable Energy Zones

Northland Pilot Concept

2022



Are Renewable
Energy Zones right
for Northland?

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1.0 Purpose of this consultation document

1.1 We are seeking your feedback

Transpower, Northpower and Top Energy are working together to investigate the potential of a pilot Renewable Energy Zone (REZ) in the Northland region. This investigation is part of Transpower's national consultation programme for REZs in New Zealand.

This consultation document provides an overview of our initial work and seeks your feedback on a Northland pilot REZ.

It should be read alongside Transpower's [Renewable Energy Zones National Consultation 2022](#), which gives further information about, and seeks feedback on, REZs in the wider New Zealand context.

Context

High demand from developers to build more renewable generation to connect to the electricity network currently outstrips available network capacity in the Northland region. Large volumes of renewable generation could be enabled if investment was made in the electricity networks in the region, such as upgrading existing assets.

While we have a preliminary view of the work that could be required, the types of network upgrades and investment needed will depend on the feedback gained during this consultation and any subsequent Expression of Interest (EOI) and Request for Tender (RFT) phases.



