

**SUBMISSION ON PUBLICLY NOTIFIED PROPOSAL FOR POLICY STATEMENT
OR PLAN**

Clause 6 of First Schedule, Resource Management Act 1991

TO: Rodney District Council
Private Bag 500
Orewa

Name of submitter: Kaukapakapa Area Residents and Ratepayers Association
Incorporated ("KARRA")
c/- Neville Miller, _____, Kaukapakapa, Auckland

1. This is a submission on Proposed Plan Change 107: Introduction of a Special 18 (Rodney District Thermal Energy Generation Rural Zone) Zone to the Operative Rodney District Plan 1993 and Proposed Variation 89: Introduction of a Special 27 (Rodney District Thermal Energy Generation Rural Zone) Zone to the Proposed Rodney District Plan 2000 ("**Genesis Plan Change and Variation**").
2. This submission relates to all of the Genesis Plan Change and Variation.
3. KARRA opposes the Genesis Plan Change and Variation in their entirety for the following reasons:

Introduction

4. KARRA was constituted in 1992 to provide a forum for the discussion of issues and concerns affecting the residents of Kaukapakapa. Amongst other things KARRA is charged with:
 - a) ensuring the views, aspirations and concerns of residents are suitably represented to both the Rodney District Council and the Auckland Regional Council; and
 - b) doing anything necessary or helpful to promote and maintain the natural charm and character of the area.

In support of its submission, KARRA makes the following points:

Impact on Rural Amenity

5. KARRA strongly believes it is vital that the open country and rural character of Kaukapakapa and the surrounding district are maintained at all costs. It sees these aspirations and values, which the Rodney District Council and Auckland Regional Council have subscribed to, being systematically compromised if proposals such as the one under consideration are to be approved within the General Rural zone.

Zoning Activity & General Rules

6. KARRA opposes some of the Activity and General Rules, Development Controls and Performance Standards proposed for the Special Rodney District Thermal Energy

Generation Zone. In particular, but without limitation to, Rules 11.18.3.1, 11.18.3.2 and 12.8.27.3.2, the wording of which allow the Applicant to generate electricity, yet fail to stipulate a fuel source.

Auckland Regional Policy Statement

7. This proposal is not consistent with the issues, objectives and policies stated in the Auckland Regional Policy Statement (“ARPS”). KARRA considers it to be an example of ‘Urban Development’ in the ARPS and ‘Urban Activity’ in Proposed Change 6 to the ARPS.

Proposed Auckland Regional Plan Air, Land & Water

8. This proposal is not consistent with the issues, objectives and policies in the Proposed Auckland Regional Plan Air, Land and Water.

Operative Plan Change 55 and the Proposed District Plan 2000

9. This proposal is not consistent with the issues, objectives and policies in the Rodney District Council (“Council”) Operative Plan Change 55 or the Proposed District Plan 2000.
10. In the Operative Plan Change 55 and Proposed District Plan 2000, the Kaukapakapa River is designated as an Inland Waters Protection Policy Area.

Vision Rodney

11. This proposal is not consistent with the values and intentions contained in the Council’s Vision Rodney document.

Government Policy

12. In October 2007 the Government imposed a ten year moratorium on new thermal generation and adopted a target for 90% of electricity generation to be sourced from renewables by 2025. State-owned generators were formally advised that the Government did not expect new thermal capacity to be economic or necessary to ensure security of supply “except in dry year or other extreme circumstances when it is expected that security of supply will be delivered through reserve thermal capacity contracted through the Electricity Commission.” State-owned generators can still build non-baseload (peaking) thermal generation capacity “as long as it is not adding any net thermal capacity into the system” - which the Applicant’s proposal will result in. The Government’s policy objective has a direct bearing on the applicant’s proposal, as does the Climate Change (Emissions Trading & Renewable Preference) Bill currently under consideration by the Finance and Expenditure Select Committee.
13. Technical assessments, the Assessment of Environmental Effects, the Section 32 report, and consultation have all been carried out on the premise that the Kaukapakapa proposal will operate as a baseload thermal plant. The applicant has not given due consideration to, or made investigations into, the effects and (in)efficiencies of a peaking plant configuration, especially in comparison to the existing baseload configuration.

Supreme Court Appeal - Consideration of Climate Change Issues under the Resource Management Act

14. The result of Greenpeace's appeal to the Supreme Court will have a direct bearing on this proposal, and will need to be taken into account by the Commissioners prior to their making a decision on the plan change and variation.

Environmental and Social Costs

15. The RMA is concerned with protecting the environment from inappropriate development. The Applicant's proposal to build a gas-fired generation plant in Kaukapakapa is totally inappropriate and will convert a unique, rural landscape to an industrial one.
16. The proposed site adjoins a large ecologically and culturally significant area that stretches from fragile estuarine salt marsh up to hill country vegetation, and contains significant archaeological sites and a pa site. The Auckland Regional Council has designated this area as an 'Outstanding Natural Landscape', it encompasses a 210 hectare Department of Conservation Scientific Reserve, and the Rodney District Council has designated it as a 'Significant Natural Area'. The Kaukapakapa River is a protected inland waterway.
17. If approved, this proposal will impose environmental and social costs on Kaukapakapa and Helensville residents. This could well lead to future pressure for industrial and commercial development in Kaukapakapa on the basis that the area has reduced rural character. KARRA's other concerns include, but are not limited to traffic safety; noise; emissions and air quality; effects on the Kaukapakapa River; light pollution; visual effects; and inadequate community consultation.
18. While willing to accept its share of the environmental cost of supplying New Zealand with electricity, KARRA believes that this should be from renewable wind and tidal generation projects proposed for the Rodney district. All new buildings should incorporate solar energy measures for space and water heating.
19. From a local, national and a global perspective, the Applicant's proposal will not provide energy in an environmentally responsible way.

Sustainable Management

20. The RMA has a principal purpose of promoting the "sustainable management of natural and physical resources". This proposal will not achieve that principal purpose.

Security of Supply

21. The Applicant cannot justify the construction of this thermal plant as a means of ensuring security of electricity supply. Since announcing this proposal in 2005, major investments have been made in other renewable and non-renewable generation infrastructure and accordingly the need for a thermal baseload or peaking plant in Kaukapakapa has been superseded.
22. Current generation capacity is keeping pace with demand growth, which requires that 150MW of new generation be commissioned each year. The Government reports that 500MW of new generation came on stream last year, there will be 300MW in 2008, and the latest advice from the Ministry of Economic Development (MED) is that over

600MW of new generation will be commissioned in the years 2009-2011. The applicant's Rodney proposal has not been included in these MED figures, nor has Contact Energy's proposed thermal peaking plant at Stratford which is expected to be in service before the winter of 2010.

23. Generation projects commissioned in the last two years, under construction, or already consented, will address any energy supply gap the country faces, as will the planned upgrading of transmission networks. Accordingly the national security of supply benefits claimed by the project are limited.

National Renewable Energy Targets

24. While additional power generation capacity in New Zealand is a necessity, the Government has expressed a strong desire that this need be met from renewable energy sources. New Zealand has more than enough renewable energy in the form of wind, hydro, geothermal and marine. As an example of this potential, Neptune Power have recently been granted consent for a marine energy trial in Cook Strait. Their calculations suggest there is enough tidal movement in Cook Strait to generate more than one-and-a-half times New Zealand's present generation capacity.
25. The Government has focused on sustainability, energy efficiency, and renewables - supplemented by selected intervention in an ad hoc manner from time to time. The Huntly e3p decision is a good example of this, as is the building of the dry year reserve capacity at Whirinaki.
26. Greater uptake of renewable energy presents national benefits such as enhanced security of supply, long term sustainability and reduced climate change effects. If the Applicant's proposal for Kaukapakapa proceeds, it will discourage further contributions to generation from renewable sources.

Supply of Natural Gas

27. The Maui natural gas field has underwritten much of our energy supply since the 1970s, and New Zealand's energy-dependent economy is very exposed to the depletion of this field. The new fields replacing it are smaller and more expensive, and wholesale gas prices have tripled in recent years.
28. Genesis Energy is not able to secure sufficient certainty, within normal commercial parameters, about future gas supplies. Their e3p project in Huntly was only commercially viable because the Government underwrote the fuel supply risk.
29. Contact Energy advised the Finance and Expenditure Select Committee this month that "the relative economics of New Zealand's renewable generation options, and the pending introduction of a price on carbon" led the company to place their consented 400MW Otahuhu C gas-fired power station on hold, and instead pursue renewable wind and geothermal generation projects.

Kyoto Protocol

30. Thermal plants result in high greenhouse gas discharges (particularly CO₂) and can affect climate change. New Zealand's target under the Kyoto Protocol is to reduce greenhouse gas emissions to 1990 levels during the first commitment period of 2008 – 2012. The applicant's proposal will endanger the country's climate change obligations under the Kyoto Protocol.

Economic Consequences

31. Cost-effective access to electricity is fundamental to the ongoing progress of both New Zealand and its economy. Known reserves of natural gas are increasingly rare, and future supply will come from smaller more expensive fields within New Zealand, or possibly imports. The Applicant has suggested importing LNG but this will result in even higher electricity prices, including capital costs for the new infrastructure required. New Zealand's electricity supply should not be dependent on imported fuel.
32. Thermal electricity generation will incur additional costs under an Emissions Trading Scheme.

Economic Viability

33. Earlier this year, the Electricity Commission compared long run marginal costs ("LRMC") for renewable and thermal electricity supply in NZ. The Commission determined that the cost of running a gas-fired peaking plant could be five times that of a conventional coal-fired plant like Huntly.
34. In its submission to the Finance and Expenditure Select Committee on the Emissions Trading Scheme, Contact Energy stated "Once a price on carbon is factored into the equation, renewables are the most economic long-term proposition. With a price on carbon of at least \$20 per tonne, harnessing renewable options represents the best long-term value for Contact and for the country."

Other Generation Projects in Auckland & the Northern Isthmus

35. EECA and Sinclair Knight Mertz have identified significant renewable energy potential in Northland and Auckland. This month resource consent hearings will take place for Crest Energy's tidal generation proposal for the Kaipara Harbour.

Alternative Thermal Backup

36. If there is a need for new thermal generation to ensure security of supply, this can be met by projects that have been granted resource consents, and are sited where the generation of electricity is already a permitted activity. For example, the Otahuhu C and Stratford power stations.
37. There are already sufficient thermal generation projects either operating or consented, to ensure security of supply for New Zealand.

Transmission Constraints

38. A strong and reliable National Grid will ensure that New Zealanders enjoy the security of supply that they need. There are a number of constraints and bottlenecks within the current system and critical grid issues related to supply into Auckland. The upgrading of the transmission network for Auckland and the Northern Isthmus should be addressed first, in particular the transmission constraint north of Transpower's Henderson substation.
39. Any new thermal power station in Auckland should be built within the *urban* area, thereby resulting in significant savings in the amount of energy lost through transmission.

- 40. KARRA seeks that the Rodney District Council accepts this submission and rejects the Genesis Plan Change and variation.
- 41. KARRA wishes to be heard in support of its submission.

Signature: Kaukapakapa Area Residents and Ratepayers Association Incorporated:

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Date: 15 May 2008

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