

Evidence in respect of Genesis Energy Limited Submitter #924

BEFORE THE INDEPENDENT HEARINGS PANEL FOR THE PROPOSED WAIKATO
DISTRICT PLAN

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF Proposed Waikato District Plan, Stage 1: Hearing 1, Chapter 1
Introduction and Hearing 2, Plan Structure and All of Plan

PRIMARY STATEMENT OF EVIDENCE BY RICHARD MATTHEWS

23 SEPTEMBER 2019

FOR GENESIS ENERGY LIMITED SUBMITTER #924

Evidence Summary

1. Genesis owns and operates nationally significant electricity generation facilities in the Waikato District and therefore has a significant interest in how land use is managed under the Proposed Waikato District Plan.
2. I support the recognition and provision for electricity generation assets such as the Huntly Power Station as recognised through Policy 6.6 and Policy 4.4 of the Regional Policy Statement.
3. Both Section 42A reports that have been prepared for Hearing 1 and 2 do not accept Genesis submission points that Regionally Significant Industry needs to be explicitly identified in a District Plan.
4. The definition of Regionally Significant Industry in the Waikato Regional Policy Statement requires that such activities be "*identified in regional or district plans*". In that regard, I do not agree with the approach used in the s42A reports where such activities are explicitly identified. In my opinion, the Huntly Power Station needs to be explicitly identified as a Regionally Significant Industry in the Proposed Waikato District Plan.
5. I consider that provision should be made in all zones for health and safety signs as a permitted activity, as sought in the Z Energy, BP Oil NZ Limited and Mobil Oil NZ Limited submissions.
6. I generally agree with the Hearing 1 and Hearing 2 s42A report recommendations in relation to other Genesis submission and further submission points but consider that the words "*electricity generation infrastructure and energy corridor,*" should be added to section 1.5.5(d) as sought in the Genesis submission point 924.4.
7. I have summarised the changes that I propose in **Appendix 1**.

Introduction

8. My name is Richard John Matthews. I hold the qualifications of Master of Science (Hons) degree specialising in Chemistry and have been working on resource consent applications (and their former descriptions under legislation prior to the commencement of the Resource Management Act 1991) since 1979 and advising on Regional and District Plan provisions since 1991.

9. I am a partner with Mitchell Daysh Limited, a specialist environmental consulting practice with offices in Auckland, Hamilton, Tauranga, Taupo, Napier, Wellington and Dunedin. Mitchell Daysh Limited was formed on 1 October 2016, as a result of merger between Mitchell Partnerships Limited and Environmental Management Services.
10. I have thirty-nine years' experience as a resource management adviser, initially in the local government sector and since 1999 in private practice with the environmental consulting practice, Mitchell Partnerships Limited. I have been involved in a large number of resource management projects within New Zealand, including several Regional and District Plan reviews. A summary of specific projects I have had a lead role in is included as **Appendix 2**.
11. In particular, I have been providing planning advice to Genesis with respect to Huntly Power Station activities since 1999 and am familiar with the power station operations, the resource consents applicable to the site and the Operative Regional and District Plan provisions relevant to the site. I also actively participated in developing the Operative Waikato District Plan provisions relevant to the HPS activities.

Code of Conduct

12. While not directly applicable to this hearing, I confirm that I have read the "Code of Conduct for Expert Witnesses" contained in the Environment Court Consolidated Practice Note 2014. I agree to comply with this Code of Conduct. In particular, unless I state otherwise, this evidence is within my sphere of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.

Scope of Evidence

13. My evidence discusses the Genesis Energy Limited ("**Genesis**") Submissions (submitter ID 924) and Further Submissions on the Proposed Waikato District Plan ("**PDP**") with respect to the matters addressed in the Section 42A reports for:
 - a) Hearing 1: Chapter 1 Introduction; and
 - b) Hearing 2: Plan Structure and All of Plan.

Genesis Energy Limited Background and Submissions

14. Section 2 of the Genesis submission sets out the background to Genesis' interests in the Waikato District. Genesis Energy owns and operates the Huntly Power Station ("HPS") which has a current capacity to generate up to 953 MW of electricity, and a consented capacity of 1,453.8 MW. The HPS comprises six separate generating units and collectively the HPS represents approximately 12.5% of New Zealand's installed generation capacity.
15. The operational footprint of the Huntly Power Station consists of a number of land parcels. The primary power station infrastructure is located on the corner of Hetherington and Te Ohaaki Roads. The 'West Mine' coal receival site is located to the west of the power station and coal is delivered to the power station site via a 3-kilometre overland conveyor. Excess ash is transported as a slurry through a dedicated pipeline from the power station to the 'Ash Ponds' which are located approximately 2 kilometres north of the main site.
16. Genesis also holds several ancillary land parcels in the area, including agricultural land adjacent to the HPS Ash Ponds north of the station and land immediately south of the main power station site.
17. The Submissions made by Genesis Energy Limited fall into broad categories, as follows:
 - (a) Ensuring that the ongoing operation, maintenance and upgrading of the nationally significant HPS is not compromised or affected through provisions in the PDP;
 - (b) Ensuring that reverse sensitivity effects on the HPS are avoided; and
 - (c) Ensuring that the operation of existing Regionally Significant Infrastructure and Regionally Significant Industry (as defined in the Waikato Regional Policy Statement) is recognised and provided for in the Waikato District Plan.
18. I have read the s42A Reports relevant to Hearings 1 and 2. I do not propose to repeat the matters addressed in those reports other than to highlight particular points and focus on the aspects addressed in the Genesis submissions and further submissions.

Overall Direction

19. Overall, I support the continued approach to providing for the operations at the HPS by specific policy framework, zoning and rules given its uniqueness in the Waikato District.
20. However, as will be the subject of subsequent hearings, further amendments need to be made to the provisions of the PDP to provide for the HPS and enable its continued operation.
21. In the context of Hearing 1 and Hearing 2, the key issue that requires comment is in relation to the section 42A authors recommendations on Regionally Significant Industry.

Statutory Context – Waikato Regional Policy Statement

22. The Waikato District Plan is required to give effect to the provisions of the Waikato Regional Policy Statement (“**RPS**”).¹ Central to Genesis interests are the objectives and policies in the RPS that recognise the benefits of electricity generation infrastructure and providing for their operation, maintenance, development and upgrading.
23. The activities at the HPS fit within the ambit of the RPS definition of Regionally Significant Infrastructure (being “infrastructure for the generation and/ or conveyance of electricity that is fed into the national grid or a network”).²
24. In my opinion, the HPS is also an industrial activity, as demonstrated by the Heavy Industrial Zoning (under the operative Waikato District Plan and the PDP). I consider that it is also a “regionally significant industry” as provided for in the RPS.
25. In that regard, and as discussed later in my evidence, the RPS defines regionally significant industry as being “an economic activity based on the use of natural and physical resources in the region and is identified in regional or district plans, which has been shown to have benefits that are significant at a regional or national scale”.³

¹ Section 75(3)(c) of the Resource Management Act 1991.

² Clause f, RPS Glossary definition for Regionally Significant Infrastructure.

³ RPS Glossary definition for Regionally Significant Industry.

26. In my opinion, the HPS activity falls within both RPS definitions and because of that, the HPS needs to be explicitly recognised in the District Plan as a Regionally Significant Industry.
27. Policy 6.6 in the RPS requires the management of the built environment to ensure that particular regard is given to:
- Protecting the effectiveness and efficiency of existing and planned Regionally Significant Infrastructure;
 - The benefits that can be gained from the development and use of Regionally Significant Infrastructure and energy resources, recognising and providing for the particular benefits of renewable electricity generation, electricity transmission, and municipal water supply; and
 - The locational and technical practicalities associated with renewable electricity generation and the technical and operational requirements of the electricity transmission network.
28. It is in this statutory context that the Genesis submission sought the recognition and provision for electricity generation assets such as the HPS, which I also support.

Regionally Significant Infrastructure and Regionally Significant Industry

29. In terms of the importance of identifying the HPS as a Regionally Significant Industry when it is also Regionally Significant Infrastructure, there is a subtle difference in the manner that the RPS treats regionally significant infrastructure versus industry.
30. In the context of Regionally Significant Industry, RPS Policy 4.4 requires that the management of natural and physical resources provides for the continued operation and development of Regionally Significant Industry by undertaking measures such as:
- Recognising the value and long-term benefits of these industries to economic, social and cultural wellbeing;
 - Maintaining or enhancing to access to resources (while balancing the competing demands for resources); and

- Avoiding or minimising the potential for reverse sensitivity issues.
31. The policy also requires adverse effects from these activities to be appropriately managed, and positive outcomes to be promoted.
32. In a slight contrast, Policy 6.6 (Significant infrastructure and energy resources) requires that the management of the built environment ensures that existing and planned Regionally Significant Infrastructure is protected. This policy does not explicitly provide for the activities associated with operating and developing Regionally Significant Infrastructure.
33. In my view, Policy 4.4 is more directive and requires councils (such as the Waikato District Council) to actively ensure the operation and development of Regionally Significant Industry is provided for in District Plans. In contrast, Policy 6.6 sets out a management regime for the built environment whereby it does not adversely affect existing and planned Regionally Significant Infrastructure.
34. Therefore, in my view, it is important that the HPS is provided for in the District Plan in the way that the RPS provides for both Regionally Significant Infrastructure and Regionally Significant Industry.

Hearing 1 – Chapter 1 Introduction

35. Genesis' submission in relation to Regionally Significant Industry is briefly discussed in the Hearing 1 section 42A report prepared by Ms Donaldson, at paragraph 162:

The amendments sought by Genesis Energy Limited (924.3) seek recognition in Chapter 1.4.4 of the provision of existing and proposed regionally significant industry and infrastructure. I do not consider it necessary within this part of the Plan to specifically refer to the provision of existing and proposed regionally significant industry and infrastructure. Chapter 1.5.5(d) highlights the importance of the district ensuring the protection of regionally and nationally significant infrastructure. For this reason, I recommend that the submission of Genesis Energy Limited (924.3) is rejected.

36. While I agree with Ms Donaldson that Chapter 1.5.5(d) highlights the importance of ensuring regionally infrastructure is protected, it does not explicitly address identification of the activity as Regionally Significant Industry.

37. The PDP states that protecting the rural environment for such things as productive rural activities is a key focus for the PDP, and that a key issue for the urban environment is the maintenance of the productive capacity of the rural resource. I do not disagree with this; however, I consider that these outcomes must be achieved in a manner that also provides for and protects existing and new Regionally Significant Infrastructure and Regionally Significant Industry. This is recognised in part in 1.4.3.2(c), but not with respect to the urban environment. I note that the HPS is located within an urbanised environment (or at least on the outskirts of an urban environment).

38. It is therefore my opinion, that the following should be added to 1.4.4, as follows:

c) In accordance with the Waikato Regional Policy Statement, the district plan must ensure that urban development recognises, provides for and protects existing and proposed Regionally Significant Industry and Regionally Significant Infrastructure.

39. The second matter in the Hearing 1 Section 42A report that I comment on relates to the discussion starting on paragraph 284. Genesis sought recognition of the importance of Regionally Significant Industry in Chapter 1.5.7.7, as follows:

.....as well as renewable energy. These are regionally significant industries located in the Waikato District. The plan addresses the positive and adverse effects on energy infrastructure and development.

40. Ms Donaldson does not consider that the amendments requested by Genesis are necessary as the first sentence recognises the national and regional significance of these industries. Ms Donaldson therefore considers that the proposed amendments are an unnecessary duplication.

41. As I discuss earlier in my evidence, and in relation to the Hearing 2 Section 42A report prepared by Mr Eccles in more detail (paragraphs 43 to 50 of this statement of evidence), the RPS definition sets out that Regionally Significant Industries are those specifically identified in a district or regional plan. In my view, it is therefore important to explicitly identify such activities as being regionally significant.

42. I consider that Chapter 1.5.7.7 should be expanded to refer to Regionally Significant Infrastructure as well as Regionally Significant Industry to

recognise the importance of both. Therefore, in my opinion, the following should be included in Chapter 1.5.7.7:

.....as well as renewable energy. These are Regionally Significant Infrastructure and Regionally Significant Industries located in the Waikato District. The plan addresses the positive and adverse effects of energy infrastructure and development.

Hearing 2 – All of Plan matters and Plan Structure

43. As with the Hearing 1 matters, the key issue I comment on regarding the Hearing 2 Section 42A report that has been prepared by Mr Eccles is in respect of Regionally Significant Industry, which is discussed from paragraph 342 of the section 42A report.
44. In the context of Regionally Significant Industries, Mr Eccles has reviewed implementation method 4.4.1(a) of the RPS which states that these industries need to be recognised through appropriate provisions (including zones) to enable their operation and development.
45. Mr Eccles then states that he does not read that method as requiring district plans to specifically label activities as such. Stating that “*instead, all that is required is for appropriate provisions to be included to enable the operation and development of regionally significant industry*”.
46. I do not disagree with Mr Eccles interpretation of implementation method 4.4.1 (a). However, the associated definition of “Regionally Significant Industry” has not been commented on, nor does not appear to have been considered in reaching that interpretation. In my opinion, the definition of Regionally Significant Industry requires Regionally Significant Industries to be specifically identified in district plans. The definition⁴ in the RPS is set out as follows, with my emphasis underlined:
- Regionally significant industry – means an economic activity based on the use of natural and physical resources in the region and is identified in regional or district plans, which has been shown to have benefits that are significant at a regional or national scale. These may include social, economic or cultural benefits.
47. In my opinion, for the provisions of the RPS (including method 4.4.1 (a)) to apply to any actual industrial activities, there is a requirement for individual

⁴ RPS Glossary definition for Regionally Significant Industry.

industries to be explicitly recognised as being regionally significant within a district plan (or regional plan) in order to give effect to the RPS provisions. In other words, in my opinion, implementation method 4.4.1 (a)) does not apply to any activity unless it is already identified as being a Regionally Significant Industry by way of a district or regional plan.

48. I consider that the Proposed Waikato District Plan should make it clear which industrial activities within the district are “Regionally Significant Industries”, and that Huntly Power Station needs to be identified as such. This could be achieved by way of a schedule added to Chapter 30 of the District Plan identifying Regionally Significant Industries (including the Huntly Power Station).
49. I also observe that Proposed Plan Change 1 to the Waikato Regional Plan (“PC1”) includes specific policies for the management of discharges associated with Regionally Significant Industry and Regionally Significant Infrastructure. In my opinion, district plans need to identify activities as being Regionally Significant Industries so that the policies of PC1 and the district plan providing for these activities (subject to the appropriate management of adverse effects) establish an integrated framework for managing such activities across air, land and water resources.
50. In my opinion, the specific provision for the HPS in terms of zoning and rule framework cascade down from the identification of the HPS as a Regionally Significant Industry (and Regionally Significant Infrastructure).

Other Submission Points

51. I comment in the following table on other Genesis submission and further submission points considered in the Section 42A reports for Hearing 1 and Hearing 2.
52. In this table I set out where I agree with the recommendations of the authors of the Section 24A reports on those submission points, and where I disagree with those recommendations. Where I disagree with the authors, I have provided the reasons for that disagreement.

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Submission	Section 42A Recommendation	Agree / Disagree with Section 42A recommendation
<p>Hearing 1 and Hearing 2 – Bathurst Resources and BT Mining seeking further recognition of future coal mining activities in the Waikato District (Submission points 771.1, 771.2 and 771.6).</p> <p>Genesis further submissions 1345.145, 1345.146 and 1345.147.</p>	<p>Reject</p>	<p>Disagree – I support the submissions by Bathurst Resources and BT Mining seeking further recognition of future coal mining activities in the Waikato District, for the reasons largely set out in their submission.</p>
<p>Hearing 1 – Transpower Ltd (submission point 576.49) seeking an amendment to Chapter 1.4.3.2(b) to delete reference to “non-rural activities”.</p> <p>Genesis further submission point 1345.32.</p>	<p>Accept</p>	<p>Agree</p>
<p>Hearing 1 – Genesis submission point 924.4 – Amend 1.5.5(d) to use “e.g.” instead of “i.e.”</p>	<p>Accept</p>	<p>I agree with the recommendation in the Hearing 1 s42A report to accept a change to section 1.5.5(d) to use “e.g.” rather than “i.e.”. However, I note that in the s42A report text at paragraph 243 (page 72) the report author has included the text “<i>electricity generation infrastructure and energy corridor,</i>” as sought in the Genesis submission, whereas in the Appendix 2 “Recommended Changes” accompanying the s42A report (page 14, section 1.3.5(d)), these words have been omitted. I consider that the words “electricity generation infrastructure and energy corridor,” should be included in section 1.3.5(d) as an additional example of the infrastructure that is protected under the District Plan.</p>
<p>Hearing 2 – Genesis submission point 924.39 and further submissions proposing adjustments to Appendix 1 relating to mechanical ventilation where acoustic insulation is required</p>	<p>Accept</p>	<p>Agree</p>

Submission	Section 42A Recommendation	Agree / Disagree with Section 42A recommendation
Hearing 2 – Genesis submission point 924.41 to retain provision for the continuing operation of the HPS.	Accept	Agree
Hearing 2 - Housing New Zealand Corporation submissions seeking deletion of any rules for building setbacks for sensitive activities (Submission point 749.15). Genesis further submission point 1345.116.	Reject	Agree
Hearing 2 – Z Energy, BP Oil NZ Limited and Mobil Oil NZ Limited seeking a permitted activity rule in all zones for health and safety signs (submission point 785.55) Genesis further submission 1345.64.	Reject	Disagree – for the reasons set out in the original submission and to avoid any conflict between health and safety requirements and RMA requirements.

Conclusions

53. I support the recognition and provision for electricity generation assets such as the Huntly Power Station as recognised through Policy 6.6 and Policy 4.4 of the Regional Policy Statement.
54. The definition of Regionally Significant Industry in the Waikato Regional Policy Statement requires that such activities be “*identified in regional or district plans*”. The Section 42A reports that have been prepared for Hearing 1 and 2 do not accept Genesis submission points that Regionally Significant Industry needs to be explicitly identified in a District Plan.
55. I do not agree with the approach used in the s42A reports. In my opinion, the Huntly Power Station needs to be explicitly identified as a Regionally Significant Industry in the Proposed Waikato District Plan.
56. I consider that provision should be made in all zones for health and safety signs as a permitted activity, as sought in the Z Energy, BP Oil NZ Limited and Mobil Oil NZ Limited submissions.

Evidence in respect of Genesis Energy Limited Submission #924

57. I agree with the Hearing 1 and Hearing 2 s42A report recommendations in relation to other Genesis submission and further submissions but consider that the words "*electricity generation infrastructure and energy corridor,*" should be added to section 1.5.5(d) as sought in the Genesis submission point 924.4.
58. I have summarised the changes that I propose in **Appendix 1**.

Richard Matthews

23 September 2019

Appendix 1: Summary of Proposed Changes

The section numbering for the changes outlined below may change as a result of other changes to the Proposed District Plan recommended in the s42A reports. Where practicable, changes to the individual sections referred to in this Appendix have been adjusted to reflect the s42A report recommendations.

Genesis Submission Point 924.1, 924.2, amend the District Plan to identify the Huntly Power Station as Regionally Significant Industry:

*While no specific relief was identified for this Genesis submission point (other than that Regionally Significant Industries be identified explicitly in the Waikato District Plan and that, the Huntly Power Station be explicitly identified as a Regionally Significant Industry in appropriate places in the District Plan), Regionally Significant Industries, including the Huntly Power Station could be identified in a **new Schedule 30.6** "Regionally Significant Industries".*

Genesis Submission Point 924.3, amend section 1.4.4 as follows:

- a) *A key issue for the district is to maintain the productive capacity of the rural resource and ensure that population growth and associated built development is managed in a way that results in efficient and high-amenity urban areas. Development needs to be managed so that emphasis is placed on achieving high amenity standards, while retaining existing valued characteristics as far as practicable. In these areas, development can support local infrastructure, services, and other facilities, while at the same time minimising adverse effects on productive rural activities. Commercial activity should be of a size or function that does not compromise the vitality and viability of the primary commercial centres. It is also important that we take a 'centres-based' approach to retail as per the Waikato Regional Policy Statement (WRPS). A range of housing options should be provided for, with varying land values and amenities.*
- b) *Costs and inefficiencies can increase significantly, where development patterns are dispersed. For example, unplanned development, which increases vehicle traffic, may reduce roading efficiency and road safety, compromise rail operations and result in unplanned roading upgrades. Costs can be minimised, and better performance of infrastructure and services achieved, where infrastructure provision is timely in relation to demand, and optimally-sized and located. This may mean that it is necessary to stage infrastructure provision relative to growth*

in demand as well as ensuring that the natural environment is maintained and enhanced through Low Impact Design infrastructure.

c) In line with the Regional Policy Statement, the district plan must ensure that urban development recognises, provides for and protects existing and proposed regionally significant industry and regionally significant infrastructure.

Genesis Submission Point 924.4, amend section 1.5.5(d) as follows:

d) *Additionally, it is desirable that a consistent approach be maintained across boundaries to any necessary constraints on land use adjacent to the infrastructure. The district needs to ensure the protection of regionally and nationally-significant infrastructure, **i.e. e.g. electricity generation infrastructure and energy corridor**, road and rail transport corridors, gas and transmission corridors and water infrastructure. It is important that any impacts on regionally-significant infrastructure (e.g. the Waikato Expressway) are addressed. Long-term planning considerations for infrastructure in identified growth areas in the south of the district need to take into account the outcomes of the Southern Growth Corridor Strategic Land Use and Infrastructure Plan (SLIP).*

Genesis Submission Point 924.5, amend section 1.5.7.7 as follows:

a) *The district plan recognises the national and regional importance of existing energy resources and infrastructure, which include coalfields, coal mines, Huntly Power Station, gas, electricity transmission and distribution, and coal conveyance facilities, as well as renewable energy. **These are Regionally Significant Infrastructure and regionally significant industries located in the Waikato District.** The plan addresses the positive and adverse effects of energy infrastructure and development.*

Appendix 2: Examples of Relevant Projects – Richard Matthews

- Huntly Power Station (regional resource consent applications).
- Huntly Combined and Open Cycle Gas Turbine Generators (regional and district resource consent applications).
- Pokeno Infant Formula Plant (regional and district resource consent applications).
- Pokeno Nutritional Park (regional and district resource consent applications).
- Watercare Waikato River take (regional resource consent applications and Designation Outline Plans).
- Analysis and review of the Waikato Regional Policy Statement, Waikato District Plan and Waikato Regional Plan.
- Analysis and review of Regional Plans, District Plans and Policy Statements from throughout New Zealand, and National Policy Statements and Environmental Standards.
- Ngāwhā Geothermal Power Station Expansion (regional and district resource consent applications and designation).
- Castle Hill Wind Farm (regional and district resource consent applications, covering two Regional and two District Council jurisdictions).
- Rodney Thermal Power Station regional (regional and district resource consent applications, Plan Change and designation).
- Ngatamariki Geothermal Project (regional and district resource consent applications).
- Awhitu Wind Farm Project (district resource consent applications).
- Hau Nui Wind Farm Extension Project (district resource consent applications).
- Tongariro Power Scheme (regional resource consent applications).
- Wairakei and Ohaaki Geothermal Power Stations (Council reporting officer).

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- McLachlan Geothermal Power Station (Council reporting officer).
- Prefeasibility Assessments for Ranfurly, Greens Road, Turitea, Puketiro, Hawke's Bay, Puketoi, North Wairarapa, Scotts Road and Waiouru Wind Farm Prospects.
- Transpower 400 kV Transmission Corridor (Council advisor).
- Tasman Pulp & Paper Mill (regional resource consent applications).