IN THE ENVIRONMENT COURT AT CHRISTCHURCH

I TE KŌTI TAIAO O AOTEAROA KI ŌTAUTAHI

Decision No. [2023] NZEnvC 69

IN THE MATTER of the Resource Management Act 1991

AND appeals under clause 14 of the First

Schedule of the Act

BETWEEN TRANSPOWER NEW ZEALAND

LIMITED and all other appellants concerning Topic 1, Topic 2, Topic 17 and RSI of Stage 1 of the Proposed Queenstown Lakes District Plan

(ENV-2018-CHC-93)

Appellants

AND QUEENSTOWN LAKES DISTRICT

COUNCIL

Respondent

Court: Environment Judge J J M Hassan

Environment Commissioner K A Edmonds Environment Commissioner J T Baines

Hearing: In Chambers at Christchurch

Last case event: 1 February 2023

Date of Decision: 20 April 2023

Date of Issue: 20 April 2023

DETERMINATION OF THE ENVIRONMENT COURT

Topic 1 subtopic 4 (RSI), Topic 2 subtopic 11 (RSI & Landscapes) and Topic 17 (Energy and Utilities)



- A: Directions are made for Queenstown Lakes District Council to amend the proposed Queenstown Lakes District Plan as set out in Annexure A and update the planning maps and file a reporting memorandum once that is completed.
- B: Costs will lie where they fall.

REASONS

Background

- [1] These proceedings relate to appeals by Transpower New Zealand Limited, and Aurora Energy Limited in the Queenstown District Plan review. It concerns a range of proposed plan provisions allocated to Topic 1 subtopic 4, Topic 2 subtopic 11 and Topic 17 of the Proposed Queenstown Lakes District Plan (PDP), collectively termed Regionally Significant Infrastructure (RSI provisions).
- [2] There is an extensive background to the resolution of these appeal matters. Notwithstanding that full settlement between parties was reached resulting in consent memoranda, the court required to be satisfied on a number of matters bearing in mind the significant extent of change pursued by parties to the PDP provisions at issue in the appeals. Much of this is traversed in the court's 29 August 2022 Minute ('29 August Minute'). The court made a number of drafting refinement suggestions and the 29 August Minute called for supplementary submissions on those, asking parties to consider in particular:
 - (a) whether there was anything the parties would seek the court to further consider before making final determinations;
 - (b) whether the revised drafting reflects an apparent misunderstanding or overlooks anything in the parties final drafting;
 - (c) if not, what drafting refinements could be made while maintaining the structural integrity of the court's revisions, including as to the

different roles of Chs 6 and 30 in the PDP.

- [3] Responses by memoranda were received from Transpower,¹ Aurora² and QLDC).³ These include suggested refinements to the court's preliminary drafting as provided in the 29 August Minute. Differences between parties on these are minor, confined and not contentious. No party raises any substantive issues or concerns about the court's preliminary drafting. Rather, the focus of responses is on ensuring clarity in the drafting.
- [4] Transpower subsequently filed a further memorandum seeking a further amendment to Pol 30.2.8.2B.⁴ This explains that Transpower has consulted about this request with QLDC and the change is in order to better give effect to the National Policy Statement on Electricity Transmission ('NPSET').⁵ These further amendments relate to managing adverse effects of the National Grid in the Gibbston Character Zone ('GCZ') and the Wakatipu Basin Rural Amenity Zone ('WBRAZ').
- [5] None of the parties oppose our consideration of this addition which we are satisfied is within scope and we include it in our determination accordingly.
- [6] Annexure A sets out the final drafting of provisions as we now determine (with tracking showing changes from the drafting the court proposed in the 29 August Minute).

¹ Transpower supplementary submissions, dated 14 October 2022.

² Aurora supplementary submissions, dated 21 October 2022.

³ QLDC supplementary submissions, dated 26 October 2022.

⁴ Memorandum of counsel for Transpower ,dated 1 February 2023.

⁵ Gazetted 13 March 2008.

Definitions (and consequential amendments)

'Significant Electricity Distribution Infrastructure'

[7] The decision version of the PDP ('PDP-DV') defined 'Electricity Distribution' as:

... the conveyance of electricity via electricity distribution lines, cables, support structures, substations, transformers, switching stations, kiosks, cabinets and ancillary buildings and structures, including communication equipment, by a network utility operator.

[8] The court's Minute of 18 October 2021 indicates as suitable for a consent order the parties' proposed new definition of 'Electricity Sub-Transmission Infrastructure', the amended definition of 'Regionally Significant Infrastructure' and the agreed consequential changes to the planning maps.

[9] Those proposed amendments and consequential changes to the PDP-DV were carried through into a joint witness statement of the planning witnesses ('JWS – Planning') dated 11 February 2022.

[10] The 29 August Minute suggested it may be helpful to also include a related definition of 'Significant Electricity Distribution Infrastructure', as follows:⁶

Means:

- a. sub-transmission infrastructure; and
- the electricity distribution infrastructure as shown on the District Planning Maps.

Submissions

[11] Aurora raises a concern that the court's suggestion could result in an

Minute, dated 29 August 2022, Annexure at p 15.

inconsistency with how the terms 'Significant Electricity Infrastructure' and 'Electricity Sub-Transmission Infrastructure' are used elsewhere in the PDP.⁷ It seeks instead the retention of separate definitions for each type of distinct infrastructure as follows:⁸

Significant Electricity Distribution Infrastructure

Means the three following electricity distribution lines shown on the District Planning Maps:

- a. Wanaka to Treble Cone;
- b. Maungawera (near Camp Hill) to Makarora;
- c. Cardrona substation to the Cardrona Transformer at skifield base.

Electricity Sub-Transmission Infrastructure

Means electricity infrastructure which conveys electricity between:

- a. the National Grid and zone substations;
- b. renewable energy generation sources and zone substations; or
- c. zone substations.

[12] Aurora explains that this approach is preferred because the two types of infrastructure are different in function and nature and are rarely located in the same place.⁹ It considers that Plan readers would be better served by having separate explanatory definitions in the context of the references in matters of discretion in various zones as described in the Topic 17 Consent Order.¹⁰ Counsel however, acknowledges that such a consequential amendment could occur in accordance with Schedule 16(2), RMA¹¹ as the substance of the terms would not change.¹²

[13] Aurora seeks to limit the definition of 'Significant Electricity Distribution

Aurora supplementary submissions, dated 21 October 2022 at [4].

Aurora supplementary submissions, dated 21 October 2022, Annexure 1.

⁹ Aurora supplementary submissions, dated 21 October 2022 at [6].

Transpower New Zealand Limited & Ors v QLDC – Topic 17 Consent Order dated 2 February 2022.

¹¹ Resource Management Act 1991.

Aurora supplementary submissions, dated 21 October 2022 at [7].

Infrastructure' to the three specified lines to be shown in the planning maps. It proposes also to incorporate additional information which is otherwise on the planning maps in order to assist plan readers to identify the purpose of the lines. Further, it seeks the addition of the words 'electricity distribution' before the word 'lines' to ensure there is no confusion about what lines are referred to.¹³

[14] Aurora reiterates the reasons for its requested definitions as previously set out in the consent memorandum filed and about which the court has previously signalled approval.¹⁴

[15] Aurora proposes consequential amendments to SP 3.3.24A.b, Policy 30.2.7.1.a, Policy 30.2.7.1A and Policy 30.2.7.1B to add "electricity subtransmission infrastructure". These are agreed by the QLDC. 16

Evaluation

[16] Taking that last matter first, we clarify that the 29 August Minute was dealing only with outstanding issues. It was not the court's intention to omit the definition of "electricity sub-transmission infrastructure" which, as the court earlier signalled, was an agreed definition suitable for inclusion in the PDP by consent order. It can be observed that the consequential amendments refer to "electricity sub-transmission infrastructure". For clarity, we include that definition in Annexure A.

[17] The court finds Aurora's proposed amended definition of 'Significant Electricity Distribution Infrastructure' appropriate for inclusion in the PDP.¹⁷ That is partly by reason that it is not opposed by QLDC and that all parties agree

Aurora supplementary submissions, dated 21 October 2022 at [5]-[9].

Updated joint memorandum of parties in support of consent order, dated 23 September 2019; Minute dated 18 October 2021 at [7(a)(i)] and J Dowd evidence-in-chief at [56]-[62].

Aurora supplementary submissions, dated 21 October 2022, Annexure 1.

¹⁶ QLDC supplementary submissions, dated 26 October 2022 at [12].

Aurora supplementary submissions, dated 21 October 2022, Annexure 1.

it would assist Plan readers to show the Aurora infrastructure (consistent with the maps attached to Appendix A to QLDC's closing submissions dated 7 March 2022). Furthermore, this addition is supported by the clear explanation given by Mr Hearn as to what Aurora proposes and the reasons for it. He helpfully explains the distinction between Electricity Sub-Transmission Infrastructure and Significant Electricity Distribution Infrastructure. 19

[18] We are mindful that needs may arise over time for particular infrastructure to be added to the planning maps, but those needs can be addressed at the relevant time through Plan changes.

[19] We also accept as appropriate Aurora's proposed consequential amendments to SP 3.3.24A.b, Policy 30.2.7.1.a, Policy 30.2.7.1A and Policy 30.2.7.1B to add "electricity sub-transmission infrastructure".

'Regionally Significant Infrastructure'

[20] Apart from addressing a drafting omission, parties are satisfied with the court's suggested drafting of 'Regionally Significant Infrastructure':

Means:

- a. Renewable electricity generation activities undertaken by an electricity operator; and
- b. the national grid; and
- c. electricity sub-transmission infrastructure; and
- d. significant electricity distribution infrastructure as shown on the District Plan Maps; and
- e. telecommunication and radio communication facilities; and
- f. state highways; and
- g. Queenstown and Wanaka airports and associated navigation infrastructure.

For completeness we mention that we do not agree with what appears to be incorrect drafting of the definitions provided in QLDC's Annexure 1 but note that its memorandum otherwise agrees with the approach proposed by Aurora.

M Hearn evidence-in-chief, dated 7 December 2021.

[21] QLDC has noted this omits 'municipal infrastructure', which was the subject of a variation in Stage 3 and is confirmed in QLDC's Stage 3 decision.²⁰ It is plainly an omission that is now corrected by the addition of subclause h. in the drafting in Annexure A. Subject to that change, this definition is confirmed for inclusion in the PDP.

Strategic Policy 3.3.24A and related provisions

SP 3.3.24A(b) and various references to 'minor upgrading'

[22] The court suggested the following drafting of SP 3.3.24A's clause (b) chapeau:

In the case of any upgrade or development proposal for the National Grid or Significant Electricity Distribution Infrastructure, clause a. is achieved if...

[23] To ensure consistency with similar references in Chs 6 and 30 and the NPSET, Transpower seeks to exclude reference to 'minor upgrade' in SP 3.3.24A. This would be through the addition of '(other than a minor upgrade)' after the word 'upgrade' in clause (b). Counsel explain that the distinction between minor and major upgrades is made in the NPSET, notably Pol 5 which reads:

When considering the environmental effects of transmission activities associated with transmission assets, decision-makers must enable the reasonable operational, maintenance and minor upgrade requirements of established electricity transmission assets.

[24] Transpower submits that excluding references to 'minor upgrade' achieves consistency with Pols 6.3.3.6, 6.3.4.6 and 30.2.8.1 which all apply to the upgrading and development of the National Grid but exclude minor upgrading.²¹

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²⁰ QLDC supplementary submissions, dated 26 October 2022 at [13]-[14].

Transpower supplementary submissions, dated 14 October 2022 at [20]-[22].

[25] In response to Transpower's suggestion, counsel for Aurora proposes a minor refinement of expression. Rather than using the words 'minor upgrade' according to the expression in NPSET Pol 5, they propose the words 'minor upgrading' be used in PDP Pols 6.3.3.6, 6.3.4.6, 30.2.8.1, 30.2.8.2A and 30.2.8.2B. Counsel explain that would ensure consistency with other provisions of the PDP, in particular the definition of minor upgrading in Ch 2.²²

[26] QLDC agrees with the value of this clarification, endorsing Aurora's suggestion for the use of the expression 'minor upgrading' as a defined PDP term used in other RSI provisions.²³

[27] Transpower proposes a similar refinement to Pols 30.2.7.1A and 30.2.1.7.1B.²⁴ This is to add the words "upgrading (other than minor upgrading) or development of the" before the words "National Grid" in each policy. The policies pertain respectively to managing adverse effects of the development of the National Grid or Significant Electricity Distribution within Scheduled Significant Natural Areas and within Wāhi Tūpuna, Special Character Areas identified on the PDP maps.²⁵

SP 3.3.24A(b)(iii)

[28] The court suggested the following drafting of this subclause of SP 3.3.24A:

for adverse effects that cannot be avoided, there is satisfactory remediation or mitigation and, in the case of any adverse effects on indigenous biodiversity values, due consideration is given any offer or agreement by an applicant or requiring authority for offsetting or compensation.

[29] Transpower submits that the word 'satisfactory' is ambiguous and

23 QLDC supplementary submissions, dated 26 October 2022 at [15].

Transpower supplementary submissions, dated 14 October 2022 at [40].

Aurora supplementary submissions, dated 21 October 2022 at [14].

Including the Arrowtown Residential Historic Management Zone and other Heritage features, settings, overlays or precincts not identified in Policy 30.2.7.A.

unhelpful. It could suggest that QLDC is required to adjudge the acceptability or adequacy or otherwise of measures to remediate or mitigate effects but offers no helpful direction. It seeks that the word be deleted.²⁶ Aurora and QLDC are neutral on whether or not the word remains.²⁷

Evaluation

SP 3.3.24A(b) and various references to 'minor upgrading'

[30] We accept those submissions finding the requested amendments appropriate clarifications and include them in Annexure A.

SP 3.3.24A(b)(iii)

[31] We do not accept Transpower's submission on this matter. The word 'satisfactory' serves to clarify that there is a legitimate role for QLDC judgement about whether measures to remediate or mitigate effects (including those offered by an applicant) are inadequate and whether consent is justified. Therefore, this word is retained in the drafting in Annexure A.

Policies 6.3.3.6, 6.3.4.6 – clarification concerning the National Grid

[32] Transpower and QLDC properly bring to light some unintended ambiguity in the court suggested drafting of certain provisions of Pols 6.3.3.6 and 6.3.4.6. In each case, the confusion arises by the simple reference being made to 'Regionally Significant Infrastructure' without exclusion of the National Grid. The relevant provisions in the court's suggested drafting are Pols 6.3.3.6(b), 6.3.3.6(c) and 6.3.4.6(b). As sought by Transpower and QLDC,²⁸ the drafting in Annexure A

Transpower submissions, dated 14 October 2022; supplementary at [23]-[24].

Aurora supplementary submissions, dated 21 October 2022 at [15], QLDC supplementary submissions, dated 26 October 2022 at [16].

Transpower submissions, dated 14 October 2022; supplementary at [25]-[26], [32]-[34]; QLDC supplementary submissions, dated 26 October 2022 at [17]-[18].

now makes explicit that these do not apply to the National Grid.

Policy 6.3.3.6(c) – landscape capacity

[33] We find appropriate and include in Annexure A QLDC's proposed amendment to Pol 6.3.3.6(c) (which no other party opposes). This is to replace "no" with "insufficient" so the policy refers to 'where there is *insufficient* landscape capacity'. As Ms Scott and Ms Mortiaux point out, the refinement better aligns this policy with the PDP's approach to assessment of effects on both the values of ONF/Ls, and related landscape capacity.²⁹ Compared to the word 'no', the word 'insufficient' helpfully invites a more nuanced assessment of the capacity in a particular ONF/L to absorb change. Further the amendment ensures consistent use of language with the court's drafting of Pol 6.3.4.6 (which uses 'insufficient').

Policies 30.2.7.1A and 30.2.7.1B

[34] We find appropriate and include the following changes to the court's suggested drafting of the following provisions of these policies sought by Transpower and QLDC:

(a) in Pol 30.2.7.1A, as follows (subject to replacing some references to 'or' with 'and'):

Manage the adverse effects of the <u>upgrading</u> (other than minor <u>upgrading</u>) or <u>development of the</u> National Grid, <u>Electricity Sub-Transmission Infrastructure</u> and Significant Electricity Distribution Infrastructure within Scheduled Significant Natural Areas, areas that meet the criteria in Policy 33.2.1.8, and heritage features identified as Category 1 in the Schedule in Chapter 26 by:

a. protecting the Scheduled Significant Natural Areas and

²⁹ QLDC supplementary submissions, dated 26 October 2022 at [18].

Category 1 Heritage Features; or

- b. where the functional needs or operational needs of the National Grid, Electricity Sub-Transmission Infrastructure or Significant Electricity Distribution Infrastructure make that protection impracticable, minimise loss of the values that are protected protection of or harm to the Scheduled Significant Natural Areas and Category 1 Heritage Features by:
 - i. avoiding any location that would fail to protect the values of Scheduled Significant Natural Areas and Category 1 Heritage Features if there is a practicable alternative location that would provide for the functional needs or operational needs of the National Grid, Electricity Sub-Transmission Infrastructure or Significant Electricity Distribution Infrastructure;
 - ii. if avoiding the location is not practicable due to those functional needs or operational needs, avoiding any adverse effects on the <u>values of Scheduled Significant</u> Natural Areas and Category 1 Heritage Features;

(b) in Pol 30.2.7.1B as follows:

Manage the adverse effects of the <u>upgrading</u> (other than minor <u>upgrading</u>) or <u>development</u> of the National Grid, <u>Electricity Sub-Transmission Infrastructure</u> and Significant Electricity Distribution Infrastructure within Wāhi Tūpuna, Special Character Areas identified on the District Plan maps including the Arrowtown Residential Historic Management Zone and other Heritage features, settings, overlays or precincts not identified in Policy 30.2.7.A by:

. . .

 where that is impracticable because of the functional needs or operational needs of the National Grid, and Electricity Sub-Transmission Infrastructure or Significant Electricity Distribution Infrastructure, minimising loss of the values that are protected protection and harm by:

[35] We accept counsels' submissions that these refined expressions are more consistent with the approach taken in the PDP in regard to ONF/Ls and RCLs.³⁰ Our slight differences concerning the use of 'and' and 'or' is to better clarify that the Policy applies in all cases whether all or only classes of the noted infrastructure are in issue.

Objective 30.2.8

[36] We find appropriate and include in Annexure A the following changes that Transpower proposes to the court's suggested drafting of this objective:³¹

Objective 30.2.8

- a. The benefits of a secure and sufficient electricity supply to the District are realised by effective operation, maintenance, upgrade and development of the National Grid and the effective management of adverse effects of activities on the National Grid; and
- b. Adverse effects of the operation, maintenance, upgrade and development of the National Grid on the environment are effectively managed;
- c. Adverse effects of activities on the operation, maintenance, upgrade and development of the National Grid are effectively managed.

[37] The revision is supported by QLDC.³² We accept counsel for Transpower's submission that it improves clarity in giving effect to each of the

Transpower submissions, dated 14 October 2022, supplementary at [38]-[39], [43]-[44]; QLDC supplementary submissions, dated 26 October 2022 at [27].

Transpower supplementary submissions, dated 14 October 2022 at [45].

³² QLDC supplementary submissions, dated 26 October 2022 at [27].

elements of the following NPSET objective:33

To recognise the national significance of the electricity transmission network by facilitating the operation, maintenance and upgrade of the existing transmission network and the establishment of new transmission resources to meet the needs of present and future generations, while:

- managing the adverse environmental effects of the network; and
- managing the adverse effects of other activities on the network.

Policy 30.2.8.2A

[38] We accept the submissions for Transpower and QLDC that Pol 30.2.8.2A is redundant in that all of the matters it covers are now addressed in Pols 30.2.7.1A and 30.2.7.1B.³⁴ Therefore, we delete the policy in Annexure A. As a consequential change, we also delete references to Pol 30.2.8.2A from other policies.

Policies 6.3.6.4 and 30.3.8.2B – Gibbston Character Zone and Wakatipu Basin Rural Amenity Zone

[39] There has been an evolving discussion with the court as to the best way to structure these related policies in respect to the GCZ and WBRAZ. An aspect of this is in how to properly give effect to NPSET and the partially-operative Otago Regional Policy Statement 2019 ('partially-operative RPS').

[40] During this engagement, matters were progressing in the hearing of appeals in Topics 25 and 30 concerning the Wakatipu Basin Rural Amenity Zone. That has now progressed insofar as decisions have issued substantially determining the

Transpower supplementary submissions, dated 14 October 2022 at [49] and QLDC supplementary submissions, dated 26 October 2022 at [28].

Transpower supplementary submissions, dated 14 October 2022 at [46]-[47].

matters in those Topics.35

[41] We do not need to traverse the matters raised in submissions by parties during various stages of that discussion as the net result is that we are satisfied that the final agreed position between Transpower and QLDC is appropriate.

[42] That is to the effect that the court's suggested drafting of relevant provisions should be modified as follows:

6.3.4.6

- a. In relation to proposals for the upgrading (other than minor upgrading) or development of the National Grid, subject to recognising the matters in Policy 30.2.8.2 and having regard to the matters in Policy 30.2.8.2B:
 - for Rural Character Landscapes of Priority Areas of the Upper Clutha Basin Rural Character Landscapes maintain the landscape character values and maintain or enhance visual amenity values that are specified in Schedule 21.23; or
 - for Rural Character Landscapes that are not Priority Areas or for which there is no specification in Schedule 21.23, maintain the landscape character values and maintain or enhance visual amenity values identified in accordance with SP 3.3.45;
 - within the Gibbston Character Zone and the Wakatipu Basin Rural Amenity Zone, [seek to avoid] significant adverse effects on the character of the landscape and Policy 24.2.1.8 does not apply.
- b. Except as provided by clause a., Other than for the National Grid, Regionally Significant Infrastructure within Rural Character Landscapes is to maintain landscape character and maintain or enhance visual amenity values identified in Schedule 21.23 or in accordance with SP 3.3.45 by:

Barnhill Corporate Trustees v Queenstown Lakes District Council [2022] NZEnvC 58, [2023] NZEnvC 41.

- avoiding locations where there is insufficient landscape capacity, in the case of any Priority Area as described in Schedule 21.23 or otherwise as identified following a landscape assessment in accordance with SP3.3.4.5, unless impracticable <u>due to functional</u> need or operational need; or
- ii. if it is impracticable to avoid any location where there is insufficient landscape capacity <u>due to functional need or operational need</u>, in accordance with clause c.
- c. In those cases where this clause applies, Regionally Significant Infrastructure within Rural Character Landscapes is to maintain landscape character and maintain or enhance visual amenity values by:
 - i. avoiding adverse effects on landscape character or visual amenity values (as the case may be), unless impracticable;
 - ii. minimising adverse effects on landscape character or visual amenity values (as the case may be) that cannot practicably be avoided;
 - iii. remedying remaining adverse effects on landscape character or visual amenity values (as the case may be) as far as practicable; and
 - iv. mitigating to the extent practicable all remaining adverse effects on landscape character or visual amenity values (as the case may be).

30.2.8.2B

When considering the environmental effects of upgrading, (other than minor upgrading), and or development of the National Grid regard is to be given to the following matters:

- a. the extent to which adverse effects have been avoided as a priority;
- the extent to which the functional needs and operational needs of the National Grid constrain the ability to avoid, or impose restrictions on remedying or mitigating, adverse effects;

- the extent to which adverse effects have been avoided, remedied or mitigated, including by the route, site or method selection;
- d. when the structures, lines and other network infrastructure of the National Grid are to be located on an Outstanding Natural Feature or in an Outstanding Natural Landscape or Rural Character Landscape, the landscape capacity of those areas to accommodate the upgrading or development of the National Grid;
- e. opportunities to reduce existing effects on sensitive activities;
- f. offsetting of residual adverse effects on indigenous biological diversity; and
- g. the need for environmental compensation to address any more than minor residual adverse effects on indigenous biological diversity.
- x. when the structures, lines and other network infrastructure of the National Grid are to be located in the Gibbston Character Zone or Wakatipu Basin Rural Amenity Zone, the extent to which effects are minimised, including under Policy 24.2.1.8, by the choice of method, location and design of the National Grid and that residual effects may remain.
- [43] We are satisfied that the revisions give proper effect to NPSET, particularly Pol 8 as follows:

In rural environments, planning and development of the transmission system should seek to avoid adverse effects on outstanding natural landscapes, areas of high natural character and areas of high recreational value and amenity and existing sensitive activities

- [44] We are also satisfied the provisions give proper effect to the partially-operative RPS. The deletion of Pol 6.3.4.6(a)(iii) and inclusion in Pol 30.2.8.2B of new subclause x is for the reasons offered by counsel for QLDC and Transpower.
- [45] Firstly, neither the GCZ nor the WBRAZ is a RCL. We further agree that it would be problematic to apply the Pol 6.3.4.6 approach to the National Grid,

when it is located in the GCZ or WBRAZ.³⁶ We also bear in mind the observations made by counsel for Transpower as further reasons for why the better drafting fit is in Pol 30.2.8.2B as QLDC proposes.³⁷ We accept the point made by counsel for Transpower concerning the management of adverse effects of the National Grid in the GCZ and the WBRAZ to better give effect to the NPSET.³⁸ Hence, we add the above-noted subclause x. to 30.2.8.2B.

Rule 30.5.3B – lines and structures at or less than 110kV

[46] Transpower, Aurora and QLDC initially sought a new r 30.5.3B (and consequential amendment to r 30.5.1.19). These would have been to confer restricted discretionary activity status on the erection of lines or support structures for new electricity transmission overhead lines to convey electricity at a voltage of 110kV or less in all zones and outside of any ONF/Ls and SNAs. The court communicated by Minute that, for the parties to pursue such relief, the court would require evidence to allow for necessary findings that this would be appropriate for achieving related PDP objectives.³⁹ That is particularly important in regard to new rules that would curtail capacity to consider matters at the consenting stage with the potential consequence of prejudicing the intentions of the PDP as are expressed through its objectives.

[47] The parties have not taken up the opportunity to pursue that approach but instead now pursue a different approach. Parties explain that there is presently a gap in the PDP in that Ch 30 does not effectively provide for new transmission lines which convey electricity at a voltage of 110kV or less.⁴⁰ The proposal to address this is now for an amendment to discretionary activity r 30.5.3.5 by deleting

QLDC supplementary submissions, dated 26 October 2022 at [21]-[22].

Transpower supplementary submissions, dated 1 February 2023 at [19]; QLDC supplementary submissions, dated 26 October 2022 at [24] and Annexure 1.

Transpower supplementary submissions, dated 1 February 2023 at [21]-[25].

³⁹ Minute, dated 29 August 2022 at [45].

Transpower supplementary submissions, dated 14 October 2022 at [12]-[13].

the bracketed words as follows:41

	Erecting any lines, lattice towers or support structures for	
30.5.3.5	new overhead lines to convey electricity (at a voltage of more	D
	than 110kV with a capacity over 100MVA) in all zones.	

[48] In effect, that means the rule would apply to all electricity lines and structures including where they convey electricity at a voltage less than 110kV. In addition to overcoming the present lacuna in the PDP, counsel submit that the amendment would give effect to NPSET and the partially-operative RPS while recognising the high landscape and character values in the District. Ms McIndoe and Mr Bullen submit that the amendment is within scope of the Transpower appeal, being more restrictive than the controlled activity status sought and having the same activity status as the default rule. They point out that discretionary activity status allows for all relevant objectives and policies to apply in the consideration of consent applications.⁴²

[49] QLDC supports this change.⁴³ Bearing in mind that lines and their infrastructure can be located in road reserve, Ms Scott explains the relationship between Ch 30 and Ch 29 Transport. Both chapters are district-wide chapters. Ch 29 includes r 29.4.13. This accords discretionary activity status to activities within roads that are not specified. However, provision 30.3.3.3 is to the effect that the Ch 30 provisions prevail over those in Ch 29. Ms Scott submits that the cleaner drafting approach would be for the amendment to r 30.5.3.5 to be made as proposed to the effect that this would be the governing rule for all relevant purposes.⁴⁴

[50] We are satisfied there are no jurisdictional impediments to our ability to include the revised rule in the PDP. The change to a discretionary activity

Transpower supplementary submissions, dated 14 October 2022 at [4], [16].

Transpower supplementary submissions, dated 14 October 2022 at [15].

⁴³ QLDC supplementary submissions, dated 26 October 2022 at [6].

⁴⁴ QLDC supplementary submissions, dated 26 October 2022 at [7]-[8].

classification overcomes the court's earlier-expressed concerns about the lack of supporting evidence for a restricted discretionary (or indeed controlled activity) rule. That is because it allows for the proper application of PDP objectives and policies in the consideration of discretionary activity consents. We accept that the revised rule assists to give effect to the NPSET and the partially-operative RPS. We also accept the explanations given by counsel for why the rule has a proper place in Ch 30 as a comprehensive rule for all circumstances, including where a line or part of it may be in road reserve. Therefore, we find the revised rule appropriate for inclusion in the PDP and include it in Annexure A.

Other minor amendments

[51] We also concur with other minor improvements (including for consistency reasons) suggested by the parties and tracked into our annexure.⁴⁵ These do not require an explanation. Nor do we need to give reasons for the inclusion of other non-contentious provisions or refinements to provisions in Annexure A.

Outcome and directions

[52] For those reasons, we determine that the provisions in Annexure A are appropriate for inclusion in the PDP. Under ss 269 and 279(1) RMA, QLDC is directed to:

- (a) amend and update the provisions of the PDP as set out in Annexure A and the associated planning maps; and
- (b) file a reporting memorandum once that is completed.

[53] Given the circumstances in particular of parties reaching full settlement of all matters in contention between them through court-facilitated mediation, this is plainly a case where costs should lie where they fall. There will be no order for

⁴⁵ See SP 3.3.24A, 6.3.3.6, 6.3.4.6, 33.2.1.6 and 33.2.2.1.

costs on all matters to date.

For the court

J J M Hassan Environment Judge

ANNEXURE A

The amendments approved in this decision are shown below tracked against Annexure A to the court's Minute dated 29 August 2022.

(Agreed amendments shown in <u>underline</u> and <u>strikethrough</u> text)

Definitions

Functional need (provisional)

In relation to Regionally Significant Infrastructure, means the need for a proposal or activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment.

National Grid

Means the network that transmits high-voltage electricity in New Zealand and that is owned and operated by Transpower New Zealand Limited, including: a. transmission lines; and b. electricity substations.

Operational need

In relation to Regionally Significant Infrastructure, means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical or operational characteristics or constraints.

Regionally Significant Infrastructure

Means:

- a. renewable electricity generation activities undertaken by an electricity operator; and
- b. the national grid; and
- c. electricity sub-transmission infrastructure; and
- d. significant electricity distribution infrastructure as shown on the District

- Plan Maps; and
- e. telecommunication and radio communication facilities; and
- f. state highways; and
- g. Queenstown and Wānaka airports and associated navigation infrastructure-; and
- h. <u>Municipal infrastructure</u>.

Significant Electricity Distribution Infrastructure

Means the three following electricity distribution lines shown on the District Planning Maps:

- a. Wanaka to Treble Cone sub-transmission infrastructure; and
- b. <u>Maungawera (near Camp Hill) to Makarora:</u> the electricity distribution infrastructure as shown on the District Planning Maps.
- c. Cardrona substation to the Cardrona Transformer at skifteld base.

Electricity Sub-Transmission Infrastructure

Means electricity infrastructure which conveys electricity between:

- a. the National Grid and zone substations;
- b. renewable energy generation sources and zone substations; or
- c. zone substations.

Utility

Means the systems, services, structures and networks necessary for operating and supplying essential utilities and services to the community including:

- a. substations, transformers, lines and necessary and incidental structures and equipment for the transmission and distribution of electricity;
- b. pipes and necessary incidental structures and equipment for transmitting and distributing gas;
- c. storage facilities, pipes and necessary incidental structures and equipment for the supply and drainage of water or sewage;

- d. water and irrigation races, drains, channels, pipes and necessary incidental structures and equipment (excluding water tanks);
- e. structures, facilities, plant and equipment for the treatment of water;
- f. structures, facilities, plant, equipment and associated works for receiving and transmitting telecommunications and radio communications;
- g. structures, facilities, plant, equipment and associated works for monitoring and observation of meteorological activities and natural hazards;
- h. structures, facilities, plant, equipment and associated works for the protection of the community from natural hazards;
- i. structures, facilities, plant and equipment necessary for navigation by water or air;
- j. waste management facilities;
- k. flood protection works; and
- anything described as a network utility operation in s166 of the Resource Management act 1991.

Utility includes Regionally Significant Infrastructure but does not include structures or facilities used for electricity generation, the manufacture and storage of gas, or the treatment of sewage.

Chapter 3 Strategic Direction

Strategic Issue 1

Economic prosperity and equity, including strong and robust town centres, and the social and economic wellbeing and resilience of the District's communities may be challenged if the District's economic base lacks diversification and supporting infrastructure.

SO 3.2.1.9

Community needs are met by the efficient and effective operation, maintenance, upgrade and development of infrastructure in the District.

SP 3.3.24

Provide for non-residential development (other than Regionally Significant Infrastructure) that, due to its function, needs to locate in the rural environment through a planning framework that recognises its locational constraints, while ensuring maintenance and enhancement of the rural environment.

SP 3.3.24A

- a. Provide for Regionally Significant Infrastructure that has a functional need or operational need to locate in the rural environment through a planning framework that:
 - i. protects the landscape values of Outstanding Natural Features and Outstanding Natural Landscapes;
 - ii. maintains the landscape character and maintains or enhances the visual amenity values of Rural Character Landscapes;
 - iii. maintains or enhances the landscape character and visual amenity values of the Wakatipu Basin Rural Amenity Zone;
 - iv. protects important historic heritage and the distinctive natural environments and ecosystems of the District; and
 - v. avoids significant adverse effects on Wāhi Tūpuna within the District.
- b. In the case of any upgrade (other than minor upgrading) or development proposal for the National Grid, Electricity Sub-Transmission Infrastructure and or Significant Electricity Distribution Infrastructure, clause a. is achieved if:
 - i. the outcomes in subclauses i. v. are achieved insofar as practicable while fulfilling the proposal's functional need and operational need;
 - ii. for each outcome that is not achieved, adverse effects are avoided to the extent practicable;
 - iii. for adverse effects that cannot be avoided, there is satisfactory remediation or mitigation and, in the case of any adverse effects on indigenous biodiversity values, due consideration is given to any offer or agreement by an applicant or requiring authority for offsetting or

compensation.

Protection of Regionally Significant Infrastructure

SP 3.3.24B

Protect Regionally Significant Infrastructure by managing the adverse effects of incompatible activities.

Chapter 6 – Landscapes & Rural Character

6.3.3 Managing Activities on Outstanding Natural Features and in Outstanding Natural Landscapes

6.3.3.6

- a. In relation to proposals for the upgrading (other than minor upgrading) or development of the National Grid, subject to recognising the matters in Policy 30.2.8.2 and having regard to the matters in Policy 30.2.8.2B:
 - for those Outstanding Natural Features and Outstanding Natural Landscapes that are Priority Areas protect the landscape values specified in Schedule 21.22; and
 - ii. for Outstanding Natural Features and Outstanding Natural Landscapes whose values are not specified in Schedule 21.22, protect the values identified according to SP 3.3.45.
- b. Except as provided by clause a. Other than for the National Grid and subject to clause c., Regionally Significant Infrastructure is inappropriate on Outstanding Natural Features or in Outstanding Natural Landscapes unless:
 - for Priority Areas the landscape values specified in Schedule 21.22 are protected; and
 - ii. for Priority Areas and other cases where values are not specified in Schedule 21.22, the values identified according to SP 3.3.45 are

protected.

- c. Other than for the National Grid, if Regionally Significant Infrastructure is in a location where there is no insufficient landscape capacity (either specified in Schedule 21.22 or identified in accordance with SP 3.3.45) and functional need or operational need mean another location is not practicable, the Regionally Significant Infrastructure is not inappropriate under clause b. provided that:
 - i. adverse effects are avoided as a priority unless the functional need or operational need make that impracticable;
 - ii. if avoidance of adverse effects is impracticable, those effects are minimised unless the functional need or operational need make that impracticable;
 - iii. insofar as minimisation of any adverse effect is impracticable, that effect is remedied or if that is impracticable, mitigated to the extent practicable.

6.3.4.6

- a. In relation to proposals for the upgrading (other than minor upgrading) or development of the National Grid, subject to recognising the matters in Policy 30.2.8.2 and having regard to the matters in Policy 30.2.8.2B:
 - for Rural Character Landscapes of Priority Areas of the Upper Clutha Basin Rural Character Landscapes maintain the landscape character values and maintain or enhance visual amenity values that are specified in Schedule 21.23; or
 - ii. for Rural Character Landscapes that are not Priority Areas or for which there is no specification in Schedule 21.23, maintain the landscape character values and maintain or enhance visual amenity values identified in accordance with SP 3.3.45;
 - iii. within the Gibbston Character Zone and the Wakatipu Basin Rural

 Amenity Zone, [seek to avoid] significant adverse effects on the character

 of the landscape and Policy 24.2.1.8 does not apply.

- b. Except as provided by clause a.,Other than for the National Grid Regionally Significant Infrastructure within Rural Character Landscapes is to maintain landscape character and maintain or enhance visual amenity values identified in Schedule 21.23 or in accordance with SP 3.3.45 by:
 - i. avoiding locations where there is insufficient landscape capacity, in the case of any Priority Area as described in Schedule 21.23 or otherwise as identified following a landscape assessment in accordance with SP3.3.4.5, unless impracticable due to functional need or operational need; or
 - ii. if it is impracticable to avoid any location where there is insufficient landscape capacity due to functional need or operational need, in accordance with clause c.
- c. In those cases where this clause applies, Regionally Significant Infrastructure within Rural Character Landscapes is to maintain landscape character and maintain or enhance visual amenity values by:
 - i. avoiding adverse effects on landscape character or visual amenity values (as the case may be), unless impracticable;
 - ii. minimising adverse effects on landscape character or visual amenity values (as the case may be) that cannot practicably be avoided;
 - iii. remedying remaining adverse effects on landscape character or visual amenity values (as the case may be) as far as practicable; and
 - iv. mitigating to the extent practicable all remaining adverse effects on landscape character or visual amenity values (as the case may be).

Chapter 30 - Energy and Utilities

30.2.6.2

When considering the effects of proposed utility developments consideration must be given to alternatives, and also to how adverse effects will be managed through the route, site and method selection process, while taking into account:

a. the locational, technical and operational requirements of the utility (including in the case of Regionally Significant Infrastructure functional

needs and operational needs); and

b. the benefits associated with the utility.

30.2.7

The adverse effects of utilities on the surrounding environment are avoided or minimised (in the case of Regionally Significant Infrastructure also having regard to functional needs and operational needs).

30.2.7.1.a

Manage the adverse effects of utilities on the environment by:

- a. for utilities other than the National Grid, and Electricity Sub-<u>Transmission Infrastructure and</u> Significant Electricity Distribution Infrastructure:
 - i. avoiding their location on sensitive sites, including heritage and special character areas, Outstanding Natural Landscapes and Outstanding Natural Features, and skylines and ridgelines except where no other location is practicable; and
 - ii. where avoidance is not practicable, avoiding significant adverse effects and minimising other adverse effects of those utilities on those sites, areas, landscapes or features.

30.2.7.1A

Manage the adverse effects of the <u>upgrading</u> (other than minor <u>upgrading</u>) or <u>development of the</u> National Grid, and <u>Electricity Sub-Transmission</u> <u>Infrastructure</u> and Significant Electricity Distribution Infrastructure within Scheduled Significant Natural Areas, areas that meet the criteria in Policy 33.2.1.8, and heritage features identified as Category 1 in the Schedule in Chapter 26 by:

a. protecting the Scheduled Significant Natural Areas and Category 1 Heritage
 Features; or

- b. where the functional needs or operational needs of the National Grid, and Electricity Sub-Transmission Infrastructure or Significant Electricity Distribution Infrastructure make that protection impracticable, minimise loss of the values that are protected protection of or harm to the Scheduled Significant Natural Areas and Category 1 Heritage Features by:
 - i. avoiding any location that would fail to protect the <u>values of</u>
 Scheduled Significant Natural Areas and Category 1 Heritage
 Features if there is a practicable alternative location that would
 provide for the functional needs or operational needs of the National
 Grid, and <u>Electricity Sub-Transmission Infrastructure</u> or Significant
 Electricity Distribution Infrastructure;
 - ii. if avoiding the location is not practicable due to those functional needs or operational needs, avoiding any adverse effects on the <u>values of Scheduled Significant Natural Areas and Category 1</u> Heritage Features;
 - iii. where adverse effects cannot be fully avoided, applying a sequential management approach to those effects that gives first priority to their minimisation, second priority to remediating what cannot practicably be minimised, and third priority to mitigating as far as practicable what adverse effects then remain for the Scheduled Significant Natural Areas and Category 1 Heritage Features; and
 - iv. in the case of any residual adverse effects on indigenous biodiversity values that remain following each of those steps, considering offsetting and environmental compensation.

30.2.7.1B

Manage the adverse effects of the <u>upgrading</u> (other than minor <u>upgrading</u>) or <u>development of the</u> National Grid, <u>Electricity Sub-Transmission Infrastructure</u> and Significant Electricity Distribution Infrastructure within Wāhi Tūpuna, Special Character Areas identified on the District Plan maps including the Arrowtown Residential Historic Management Zone and other Heritage features, settings,

overlays or precincts not identified in Policy 30.2.7.A by:

- a. in the case of Wāhi Tūpuna, undertaking prior consultation with Manawhenua;
- b. protecting the Wāhi Tūpuna, Special Character Area or Heritage feature; or
- c. where that is impracticable because of the functional needs or operational needs of the National Grid, Electricity Sub-Transmission Infrastructure or Significant Electricity Distribution Infrastructure, minimising loss of the values that are protected protection and harm by:
 - avoiding any location that would fail to protect the Wāhi Tūpuna,
 Special Character Area or Heritage feature; and
 - ii. if avoiding the location is impracticable, avoiding to the extent practicable any adverse effects on Manawhenua values in the case of Wāhi Tūpuna and on the values and attributes of the Special Character Area or Heritage feature;
 - iii. for any remaining adverse effect not able to be practicably avoided, reducing the nature and extent of that effect as far as practicable, remediating what then remains to the extent practicable and mitigating any residual such effect.

Objective 30.2.8

- a. The benefits of a secure and sufficient electricity supply to the District are realised by effective operation, maintenance, upgrade and development of the National Grid and the effective management of adverse effects of activities on the National Grid; and
- b. Adverse effects of the operation, maintenance, upgrade and development of the National Grid on the environment are effectively managed-;
- c. Adverse effects of activities on the operation, maintenance, upgrade and development of the National Grid are effectively managed.

Policies 30.2.8.1

Enable the operation, maintenance and minor upgrading of the National Grid.

30.2.8.2

Recognise that the provision of a secure and sufficient electricity supply to the District is likely to require National Grid assets to be located within the District's distinctive landscapes or natural environments, or areas of cultural or historic significance.

30.2.8.2A

Proposals for the upgrading (other than minor upgrading) or development of the National Grid must:

- a. when located within any Scheduled Significant Natural Area or other area that meets the criteria in Policy 33.2.1.8, avoid adverse effects on their values as far as practicable;
- b. when located within any Special Character Area or heritage feature, avoid significant adverse effects on Manawhenua values and the values and attributes of the Area or feature as a priority;
- c. when located within identified Wāhi Tūpuna areas, avoid significant adverse effects on Manawhenua values.

30.2.8.2B

When considering the environmental effects of upgrading, (other than minor upgrading), and or development of the National Grid regard is to be given to the following matters:

- a. the extent to which adverse effects have been avoided as a priority;
- b. the extent to which the functional needs and operational needs of the National Grid constrain the ability to avoid, or impose restrictions on remedying or mitigating, adverse effects;
- c. the extent to which adverse effects have been avoided, remedied or

- mitigated, including by the route, site or method selection;
- d. when the structures, lines and other network infrastructure of the National Grid are to be located on an Outstanding Natural Feature or in an Outstanding Natural Landscape or Rural Character Landscape, the landscape capacity of those areas to accommodate the upgrading or development of the National Grid;
- e. opportunities to reduce existing effects on sensitive activities;
- f. offsetting of residual adverse effects on indigenous biological diversity; and
- g. the need for environmental compensation to address any more than minor residual adverse effects on indigenous biological diversity.
- when the structures, lines and other network infrastructure of the National
 Grid are to be located in the Gibbston Character Zone or Wakatipu Basin
 Rural Amenity Zone, the extent to which effects are minimised, including
 under Policy 24.2.1.8, by the choice of method, location and design of the
 National Grid and that residual effects may remain.

30.2.8.4

Manage adverse effects on the National Grid by:

- a. only allowing new or extended buildings, structures and earthworks in the National Grid Yard where they will not compromise the operation, maintenance, upgrade and development of the National Grid;
- b. avoiding National Grid Sensitive Activities within the National Grid Yard and, to the extent reasonably possible, managing activities to avoid reverse sensitivity effects on the National Grid;
- c. managing potential electrical hazards, and the adverse effects of buildings, structures and National Grid Sensitive Activities on the operation, maintenance, upgrade and development of the Frankton Substation; and
- d. managing subdivision within the National Grid Subdivision Corridor to avoid reverse sensitivity effects and to ensure that the National Grid is not compromised.

Consequential changes to Chapter 33~Indigenous Vegetation & Biodiversity

Policy 33.2.1.6 and Policy 33.2.2.1

Policy 33.2.1.6 and Policy 33.2.2.1 are consequentially amended as follows:

33.2.1.6

- <u>a</u>. Manage the adverse effect of activities on indigenous biodiversity by:
 - i. avoiding adverse effects as far as practicable;
 - ii. requiring remediation where adverse effects cannot be avoided;
 - requiring mitigation where adverse effects on the areas identified above cannot be avoided or remediated;
 - iv. requiring any residual adverse effects on significant indigenous vegetation or indigenous fauna to be offset through protection, restoration and enhancement actions that achieve no net loss and preferably have a net gain in indigenous biodiversity values, having particular regard to:
 - <u>A.</u> limits to biodiversity offsetting due **to** the affected biodiversity being irreplaceable or vulnerable;
 - B. the ability of a proposed offset to demonstrate it can achieve no net loss or preferably a net gain;
 - <u>C.</u> Schedule 33.10 Framework for the use of Biodiversity Offsets.
 - v. enabling any residual adverse effects on other indigenous vegetation or indigenous fauna to be offset through protection, restoration and enhancement actions that achieve no net loss and preferably a net gain in indigenous biodiversity values having particular regard to:
 - A. the ability of a proposed offset to demonstrate it can achieve no net loss or preferably a net gain;
 - <u>B</u>. Schedule 33.10 Framework for the use of Biodiversity Offsets.
- b. This policy does not apply to proposals for the upgrading or development

of the National Grid (refer to Policy 30.2.8.2B).

33.2.2.1

- <u>a.</u> Protect and enhance indigenous vegetation within scheduled Significant Natural Areas, and those other areas that meet the criteria in Policy 33.2.1.8, by ensuring:
 - i. indigenous biodiversity values that contribute to its significance are not reduced; and
 - <u>ii</u>. significant adverse effects on other values of the area or habitat are avoided.
- b. This policy does not apply to proposals for the upgrading or development of the National Grid (refer to Policy 30.2.8.2B).

Rule 30.5.3.B	Lines and Supporting Structures	RD
	Erecting any lines or support structures for new overhead	
	electricity transmission lines to convey electricity at a	
	voltage of 110kV or less in all zones and outside of any	
	Outstanding Natural Feature, Outstanding Natural	
	Landscape or Scheduled Significant Natural Areas.	
	Discretion is restricted to	
	a. the effects on activities within the proposed National	
	Grid Yard;	
	b. Landscape character and visual amenity values;	
	c. the route, site and method selected;	
	d. the functional needs and operational needs of the	
	National Grid;	
	e. the benefits derived from sustainable, secure and	
	efficient electricity transmission.	

Rule 30.5.3.5	Erecting any lines, lattice towers or support structures for	D
	new overhead lines to convey electricity (at a voltage of	
	more than 110kV with a capacity over 100MVA) in all	
	zones.	

Consequential changes to the Plan Maps

- Delete "Aurora Distribution Lines For information only" from the District Plan Maps Legend.
- 2. Add the following to the District Plan Maps Legend:
 - (a) "Electricity Sub-transmission Infrastructure";
 - (b) "Significant Electricity Distribution Infrastructure".
- 3. Amend the plan maps so that they show the Aurora infrastructure consistent with the maps attached
 - (a) "Significant electricity distribution infrastructure" are the three following lines shown in red on the attached maps:
 - Wanaka to Treble Cone;
 - Maungawera (near Camp Hill) to Makarora;
 - Cardrona substation to the Cardrona Transformer at skifield base.
 - (b) "Electricity Sub-transmission Infrastructure" are the balance of the lines shown in green on the attached maps.







