

BEFORE THE HEARINGS PANEL

UNDER

The Resource Management Act 1991

AND

IN THE MATTER

of Hearing of Submissions and Further
Submissions on Plan Change 92 - Ōmokoroa
and Te Puke Enabling Housing Supply and
Other Supporting Matters

**STATEMENT OF EVIDENCE OF GARY ALAN SCHOLFIELD
ON BEHALF OF POWERCO LIMITED**

Dated

25 August 2023

INTRODUCTION

- [1] My full name is Gary Alan Scholfield.
- [2] I am employed as Senior Environmental Planner by Powerco Limited (**Powerco**) and have worked for Powerco since January 2020.

Qualifications and Experience

- [3] I hold a Bachelor of Resource and Environmental Planning Degree from Massey University (1999). I have been engaged in the field of resource and environmental management for over 23 years however I wish to note that this evidence is not given as expert evidence, but rather in my capacity as an employee of Powerco.
- [4] In my current role I hold primary responsibility for managing submissions on central government resource management changes, District and Regional plan changes, bylaws and third-party resource consent applications across the Powerco network footprint¹. I have also assisted with a number of resource consent applications and Notices of Requirement to designate Powerco substations and line routes.
- [5] Between October 2010 and April 2017, I worked for Powerco in roles where I held responsibility for securing resource management approvals and property rights for network development and renewal projects. Having worked for Powerco for a number of years, I have a very good working knowledge of the Company's operations, assets and strategic direction, including the electricity distribution networks located in the western Bay of Plenty.
- [6] I also have a deep working knowledge of how third-party activities can interact with Powerco's network and the risks faced to third parties and the network as a result of unsafe and/or unplanning interactions.

¹ The Powerco footprint includes 6 regional councils and 29 territorial authorities.

[7] I prepared Powerco's submission and further submission on Proposed Plan Change 92 (**PC92**).

[8] I am authorised to present this evidence on behalf of Powerco.

STRUCTURE OF EVIDENCE

[9] The purpose of my evidence is to:

- (a) Provide an overview of Powerco and its networks within Te Puke and Ōmokoroa.
- (b) Outline the key areas of concern for Powerco and the relief sought by Powerco.
- (c) Respond to comments made in the s42A planning report.

POWERCO'S BUSINESS AND DISTRIBUTION NETWORKS

Overview of Powerco

[10] Powerco is a New Zealand based energy company which distributes both electricity and natural gas. Powerco became a "network business" (or lines company) following the 1999 electricity industry reforms. During this time, it sold its generation and retail businesses, and grew its distribution operations.

[11] Our networks deliver electricity and gas around the North Island from the national electricity transmission network owned by Transpower and the natural gas transmission system owned by First Gas Limited.

[12] The Powerco electricity networks can be found in the Coromandel, Bay of Plenty, South Waikato, Taranaki, Wanganui, Manawatu and the Wairarapa. It has gas networks in Taranaki, Manawatu, Hawkes Bay and Wellington.

- [13] Powerco keeps the lights on and gas flowing to around 1.1 million customers, across 452,000 homes, businesses and organisations. Our networks cover more than 30,000km and we support the economy by supplying a safe and reliable supply of energy to some of New Zealand's biggest industries.

The New Zealand Electricity System

- [14] The electricity system in New Zealand is an interconnected system that comprises several distinct activities. Figure 1 below contains a simplified diagram of the electricity system in New Zealand.

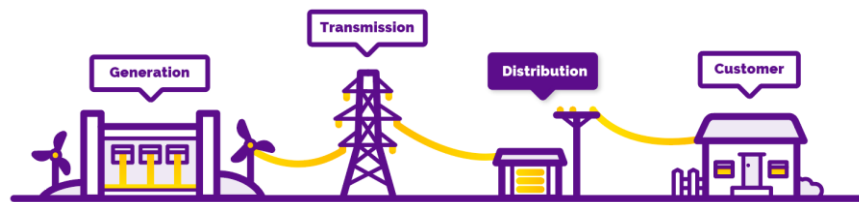


Figure 1 - The New Zealand Electricity System

- [15] The upstream aspects of the electricity system, namely generation and transmission are generally well understood at a high level and specifically provided for in planning documents. In contrast, the understanding and importance of distribution networks is often not well understood or recognised at a district level in the context of planning document and development activities.
- [16] This lack of understanding and recognition is extremely unfortunate, and in my opinion, a failing of our current planning system. That is because distribution activities that have the greatest likelihood of interacting with the public. Indeed, the distribution network is necessarily closer to the public and close to where members of the public undertake activities. If those activities are not appropriately managed, the public may put themselves at risk of harmful contact with high voltage electricity systems.
- [17] That risk is something that Powerco strives to avoid and manage and is the background to its submission on, and the reason for its involvement in PC92.

[18] Additionally, Powerco has a duty to manage its assets to ensure that they are able to support the growth and development of the communities we serve. Where development occurs in locations that prevent the efficient maintenance and upgrade of our assets (for example due to developments in close proximity) our ability to meet the present and future needs of our communities may be constrained. We therefore monitor plan changes and developments that may result in inappropriate development that constrains our essential activities.

Supply of Electricity to Te Puke and Ōmokoroa

[19] When looking at the supply of electricity to Te Puke, various electricity generators across the country connect to the Transpower grid which conveys high voltage electricity to the Te Matai Grid Exit Point ('GXP') located south-east of Te Puke on Te Matai Road. The closest GXP to Ōmokoroa is the Tauranga GXP, located on Cameron Road, Tauranga.

[20] You will note that neither of these GXP's (or associated transmission lines) extend into the urban areas of Te Puke or Ōmokoroa. It is the Powerco networks that takes electricity from these two GXP's to each customer within Te Puke and Ōmokoroa.

[21] It is therefore evident that Powerco's networks are critical to the supply of electricity to Te Puke and Ōmokoroa. This criticality is reflected in the fact that Powerco assets are classified as a "Lifeline Utility" under the Civil Defence Emergency Management Act 2002.

[22] Furthermore, our assets are also explicitly recognised in the Bay of Plenty Regional Policy Statement (*RPS*) as 'Regionally Significant Infrastructure'. The importance of our networks is reflected in Policy EI 3B of the *RPS* which provides for the protection of such infrastructure from incompatible subdivision, use or development and the provision for design and location of incompatible development in such a way as to avoid potential adverse effects on our network. It is worth setting out Policy EI 3B in full:

*“Protect the ability to develop, maintain, operate and upgrade existing, consented and designated nationally and regionally significant infrastructure from incompatible subdivision, use or development. **Ensure that where potentially incompatible subdivision, use or development is proposed near regionally significant infrastructure, it should be designed and located to avoid potential reverse sensitivity effects.**” [emphasis added]*

KEY AREAS OF CONCERN AND RELIEF SOUGHT

- [23] Powerco’s primary submission point is that its distribution network, either in full or in part, can and must be recognised as a ‘qualifying matter’ in the proposed Ōmokoroa and Te Puke Medium Density Residential Zone under PC92.
- [24] Powerco’s principal concern is to ensure that PC92’s enabled higher density housing activities are undertaken in a manner that is safe for developers and subcontractors, and eventual residents, with full knowledge of the location and necessary setbacks from critical distribution assets. Powerco is not seeking to prevent or hinder higher density development. Powerco fully supports the need to intensify development in our centres and identified growth areas. However, Powerco considers that such development can and should be undertaken with a clear understanding of the need for care when interacting with electricity distribution networks.
- [25] There are increasing instances where distribution network safety concerns are overlooked, and buildings (as well as scaffolding and mobile plant) do not meet the requirements of the New Zealand Electrical Code of Practice for Electrical Safe Distances - NZECP 34:2001 (*ECP34*). *ECP34* sets the minimum safe distance requirements from overhead electricity assets to protect people and property from harm or damage from electrical hazards.
- [26] The risk of overlooking *ECP34* compliance and development being undertaken in high-risk situations is increased as a result of PC92 because:

- (a) more intensive development will be authorised as a permitted activity, without any council oversight, in locations that are very close to our existing network; and
- (b) the height of authorised structures means that during both the construction and residential occupation period, workers and residents will routinely be in closer proximity to our network than is usual.

[27] Powerco is of the opinion that safe residential development can be enabled by PC92 provided it is clearly required to be undertaken in a manner that is consistent with ECP34.

[28] Powerco considers that this could be effectively achieved by:

- (a) the identification of overhead electricity networks in the area covered by PC92 on planning maps; and
- (b) the inclusion of a new standard in Section 14A.4.2 (Other Standards) of the District Plan that requires compliance with ECP34.

[29] Powerco would be happy to work with council to provide for the mapping suggested in (a) and considers that the inclusion of a new standard under (b) would provide major safety benefits without unduly constraining development.

S42A PLANNING REPORT

[30] The s42A report² acknowledges the importance of ECP34 and supports the addition of non-statutory maps to the District Plan but has rejected the insertion of a new performance standard as sought by Powerco. Instead, a new advice note is recommended for inclusion in section 10.3 and 14A.4.1.

[31] The first reason that the s42A report gives for not supporting the relief sought is that it is not Council's role to administer ECP34,

² Section 42A Report - Section 14a - Ōmokoroa And Te Puke Medium Density Residential Part 2 - Definitions, Activity Lists & Activity Performance Standards – Topic 29, pages 77- 79

and that ECP34 is an existing legal requirement to be met in any event. Powerco acknowledges that both these points are factually correct, however we do not consider that the fact that ECP34 is an existing legal requirement absolves Council of its responsibility to ensure planning documents provide for the wellbeing and health and safety of the community. We strongly consider that the reference to ECP34 in performance standards would better support the health and safety of the community. It is a small additional change to the plan, but one that could save lives.

[32] In addition, and as will be addressed in greater detail in Powerco's legal submissions, there are already examples where the District Plan replicates existing legal requirements that are also within the scope of the RMA. For example, the rules contained in section 7 (Historic Heritage) of the District Plan apply to Historic Heritage Features that are already the subject of existing legal protection requirements (and separate approval processes) under the Heritage New Zealand Pouhere Taonga Act 2014. Powerco considers that the protection of the public's health and safety should not be treated any less seriously than the protection of historical heritage – particularly given PC92 has the very real potential outcome of increasing the public's exposure to risk.

[33] As noted in Powerco's submission, the requirements of ECP34 are being overlooked which can potentially lead to:

- Accidental contact with live conductors (lines) leading to injury or death;
- Costs to either modify the overhead asset (change asset configuration) or modify the building on the development site;
- A requirement for the affected asset to be taken out of service until the situation is remedied.

[34] In relation to the first risk identified above (injury or death), I note that there have been two high profile instances in the recent past where accidental contact with live lines has resulted in catastrophic consequences. Specifically:

- A worker delivering timber to a house construction site was killed in August 2023 when the raised crane they were operating came into contact with overhead lines.
- A scaffolder holding a steel pole touched overhead lines in April 2022 and suffered a heart attack, burns, internal injuries and had to have both arms amputated.

[35] Even where the worst-case scenario of injury or death is not involved, unmanaged contact with the transmission network can have very real and costly impacts on both Powerco as the manager of the electricity assets and the wider community who are reliant (and increasingly so) on electricity supply for residential power, heating and transportation. Where development occurs too close to our power lines and causes an outage it results in extra costs and time delays. This could, in my view, be relatively easily avoided via the insertion of a new performance standard.

[36] Dealing with an issue up-front at the planning check / pre-construction stage is far preferable (and less costly) than trying to remedy a situation where physical building work is well advanced. In one case on our network where a building was established too close to an overhead sub-transmission line in Palmerston North (in breach of ECP34), the issues took over two years to fully resolve and the costs exceeded \$400,000.

[37] It is also important to note that the relief sought would only apply to development sites where there is an existing overhead electricity line on or adjoining the site. As the majority of reticulation for modern urban subdivisions is underground, the application of this standard would have very limited impact in the urban area of Ōmokoroa.

[38] For the reasons above, I disagree with the conclusion of the reporting officer that the introduction of a new performance standard would necessarily result in extra costs and time delays.

[39] I would also like to respond to the suggestion of an advice note being added to the District Plan, with wording similar to that used in

the Tauranga City Plan. While advice notes can be useful, they are not binding and can be (and in my experience, commonly are) easily ignored by plan users. I am aware of at least one development in Tauranga City where a building was constructed in contravention of ECP34 – despite the advice note in the Tauranga City Plan text and the overhead lines being shown on the Planning Maps. In this example a building was constructed on Hewletts Road very close to the road frontage. As a result, Powerco had to take the assets out of service and modify the network (new poles and offset arms), at significant cost, to ensure the requirements of ECP34 are met. As such, I am not confident that the inclusion of an advice note is an effective means of addressing our concerns.

CONCLUSION

- [40] For the reasons outlined above, it is clear that the Powerco networks located within Te Puke and Ōmokoroa are regionally significant. The requests Powerco has made via its submissions and further submissions are reasonable to ensure a safe and efficient supply of electricity to Te Puke and Ōmokoroa. It is clearly inappropriate to enable higher density development where there is an increased risk of a breach of ECP34, which could have significant adverse effects on the wellbeing and health and safety of the community, as well as impacts on the cost, efficiency and ability to supply a lifeline utility.
- [41] The relief sought by Powerco is unlikely to limit development capacity, rather it will better provide for the avoidance of issues, and the ability for developers to ensure that the developments address interaction with the distribution network in advance and at a time that enables issues to be worked through more efficiently. Furthermore, Powerco's relief would only have any effect on development areas where there is a risk of inappropriate contact. If there are no overhead electricity networks in the area no further assessment is required.
- [42] Consequently, I remain of the view that Powerco's sought relief should be granted namely:

- (a) the identification of overhead electricity networks in the area covered by PC92 on planning maps; and
- (b) the inclusion of a new standard in Section 14A.4.2 (Other Standards) of the District Plan that requires compliance with ECP34.

Gary Alan Scholfield

25 August 2023