

SUBMISSION

On the Draft New Zealand Energy Strategy

MARCH 2007

1. Introduction

Wellington City Council ('the Council') welcomes the opportunity to make a submission on the draft New Zealand Energy Strategy (NZES). It is also making a separate submission to the Ministry for the Environment on the draft New Zealand Energy Efficiency and Conservation Strategy (NZEES). These documents are critical for the future economic, social, and environmental well-being of New Zealand.

This submission supports the forthcoming submission from Local Government New Zealand (LGNZ) and highlights some key areas of concern from the Council's perspective.

2. Background

The draft NZES is a long-awaited piece of central government policy direction, which provides a framework for local government action on the important issues of energy and climate change.

Within the existing central government policy framework, WCC has prioritised its own work on energy and climate issues. The highest three-year priority from the Council's Environmental Strategy is:

Increasing the Council's promotion of water and energy efficiency and conservation, energy security, and the use of renewable energy sources, and taking a more active leadership role in these areas.

The Environmental Strategy is one of seven strategies guiding the Council towards thirteen shared outcomes¹ as set out in the 2006/2016 Long-Term Council Community Plan (LTCCP). This strategic framework supports the Council's long-term vision: to achieve global competitive advantage by positioning our city as *Creative Wellington – Innovation Capital*.

The Council is also a participant in ICLEI's Communities for Climate Protection – New Zealand (CCP-NZ) and has set its corporate targets as stabilising greenhouse gas emissions at 2003 levels by 2010 and reducing emissions 20% by 2020. It will be developing community emission reduction targets this year in consultation with the public, through the Council's Annual Plan process.

3. Comments

3.1 General

¹ Wellington City Council outcomes: More liveable, Stronger sense of place, More compact, More eventful, More inclusive, More actively engaged, Better connected, More sustainable, Safer, Healthier, More prosperous, More competitive, More entrepreneurial and innovative.
Wellington City Council strategies: Urban Development, Transport, Economic Development, Environmental, Cultural Well-being, Social and Recreation, Governance.

APPENDIX 1

The Council appreciates the high level framework provided by the draft NZES, which provides a useful starting point for discussions about New Zealand's energy future. Due to the high-level nature of the NZES, however, it is critical that the strategy is supported by more detailed sub-strategies such as the New Zealand Energy Efficiency and Conservation Strategy (NZECS). Without this detail, the NZES risks failing to achieve its vision.

The draft NZES lists more than 40 actions, most of which will lead New Zealand towards greater energy security, energy efficiency and conservation, more use of renewable energy sources, and a reduction in greenhouse gas emissions. But many of these 'actions' are to 'consider' and 'investigate' issues and options; again, the detail is yet to be provided.

Because of the role of local government and the impact of central government policy on local communities, the local government sector will need to be involved in discussions that lead to the required detail of policy design and implementation.

The draft NZES correctly identifies the economic imperative to provide for a low-emissions energy future. New Zealand's economy and the global economy would both suffer significantly from failure to mitigate and adapt to climate change, as pointed out in the recent UK Stern Report. However, the drivers for responding to energy and climate change issues are not just economic but environmental and social as well, together forming a holistic approach of sustainability and quality of life. The NZES should spell out the various imperatives more clearly, including:

- New Zealand's obligations under the Kyoto Protocol and the costs of failing to comply
- the opportunities and threats around the emerging global carbon market
- the local impacts of climate change (floods, droughts, etc.), both in New Zealand and elsewhere
- the desirability of reduced dependence on foreign energy supplies (particularly oil)
- the need for concerted action, at a variety of levels and locations, to avoid exceeding the planet's carrying capacity.

3.2 Part One of the draft NZES

The various imperatives for responding to climate change would ideally be spelt out in the Introduction section.

The relationship between "Section 3: From Vision to Action" and Part 2 of the NZES is not clear. Even though most of the actions dealt with in Part 2 are introduced in Section 3 of Part 1, most of the headings are different. The links between these two sections and their associated actions need to be clarified.

The Council, like many other local governments, is a key stakeholder in the promotion of renewable energy and is interested in further discussion on the details of the proposed measures in Section 3.5.

Urban form and land use are some of the foremost drivers of consumer energy demand, because of their influence on travel patterns and infrastructure needs. The NZES should put further emphasis on this issue. To support the NZES, central government should engage in in-depth discussion with local government on ways to promote urban form

and land use that is more sustainable from an energy use and climate change perspective. Regional co-operation can provide efficiencies in this regard.

Section 4: “Our Choices” underemphasises the potential role of demand management, including travel demand management. This role should be highlighted alongside improved public transport, increased fuel efficiency, new fuel sources, and the other actions listed in Section 4.3.

3.3 Part 2 of the NZES: Proposed Action Plan

As mentioned above, the Council is generally supportive of the broad range of actions and proposals listed here, but a significant amount of refinement and further engagement is necessary to develop the detail required for approval and implementation. Local government should be a key partner in this engagement, given its role in participating in or delivering many of the proposed actions.

The Council supports the transport objectives listed on p. 31:

- continue to meet the demand for transport services
- reduce greenhouse gas emissions from transport
- continue to manage other effects of transport, such as exhaust emissions that affect local air quality
- maintain reliable supplies of transport fuel during any short-term disruptions.

The Council supports the Government’s commitment to increase the proportion of biofuels in vehicle fuel.

The Council welcomes ‘continued and increasing support’ for public transport and non-motorised transport like walking and cycling. These modes are still supported by a very small proportion of total land transport funding.

The Council endorses the importance of maintaining an acceptable security of electricity supply. The local government sector will need to be engaged around the land use implications of decisions on security of supply, given its responsibilities under the Resource Management Act (RMA).

The Council supports the contribution of distributed generation to security of supply, especially insofar as it builds community resilience.

In terms of a consolidated consenting process for wind and geothermal generation projects, the Council would like clarification of what ‘consolidation’ means, beyond existing mechanisms such as joint hearings and ministerial call-in. More national guidance under the RMA and information-based tools for renewable energy assessment would be welcomed.

The Council supports the focus on investing in energy efficiency measures, and the inclusion of the external environmental impacts of new generation in making these investment decisions. This consideration should include local impacts as well as global environmental impacts.

APPENDIX 1

The Council supports the proposed adjustment of the discount rate for cost-benefit analysis of energy efficiency and other measures under the NZES from 10% to 5% per annum. This will improve the uptake of energy efficiency technologies.

The Council supports government consideration and action regarding taking a stronger role in supporting the development of more sustainable urban form and transport infrastructure changes (p. 74). A sub-strategy to the NZES, or a link between the Urban Design Protocol and the NZES, could be useful to consider urban form and energy issues together in more detail.

4. Conclusion

Wellington City Council is generally supportive of the intent of the draft NZES and of the Government's proposed direction on energy and climate change. This direction is consistent with the Council's Environmental Strategy, which prioritises energy efficiency and conservation because of the economic benefits as well as environmental issues like climate change.

Notwithstanding this general support, the Council is concerned that significant critical work has yet to be undertaken. A number of specific areas of concern to the Council have been raised. In addition to the high-level structure of the Strategy lacking clarity, many details are yet to be resolved with respect to the further development and implementation of the proposals, and the local government sector needs to be actively involved in ongoing discussions.