



MAJOR ELECTRICITY USERS' GROUP

12 November 2007

Sue Powell
General Manager, Local Government Group
Ministry for the Environment
Attention: Ann Callaghan
By email to ann.callaghan@mfe.govt.nz

Dear Ann

Submission on proposed RMA National Policy Statement for renewable energy

1. The Major Electricity Users' Group (MEUG) welcomes the opportunity to comment on the wish of the Minister for the Environment to develop a National Policy Statement (NPS) on renewable energy as outlined in your letter of 11th October 2007.
2. Every day members of MEUG manage resources subject to RMA consents. The RMA is an important consideration for every new investment. An often heard comment from MEUG members is that the RMA needs to be fixed – not in relation to renewable energy but for a wide range of their business activities. MEUG have long supported the view that continuous improvement to the generic provisions of the RMA and the way it is implemented is important for all sectors of the economy, including the energy sector.
3. MEUG would be concerned if the wish of the Minister to have a NPS was simply to tilt the playing field in favour of renewable energy without any empirical evidence that there was a barrier to the use of such resources that could not be removed other than by an NPS.
4. One often cited barrier is the market failure to recognise the externality of climate change risk. There isn't a reasonable consensus as to how to value that externality right now but there is a reasonable consensus that a global market to price greenhouse gases will emerge. Potential developers of renewable and competing non-renewable energy sources will be well aware that this is likely to evolve and will be taking that into account. It would be double dipping to overlay the trend towards development of a global greenhouse gas market with an NPS favouring renewables over non-renewables.
5. Based on the information available to date, MEUG does not support the development of a specific NPS for renewable energy. The resources of government would be better employed in improving the generic provisions of the RMA.

Yours sincerely

Ralph Matthes
Executive Director