

14 August 2024: SUBMISSION TO MBIE REGARDING PROPOSAL TO AMEND THE ELECTRICITY (HAZARDS FROM TREES) REGULATIONS 2003

The Tree Hazard Regulations should cover all trees that could damage electricity lines

Entrust supports the Ministry of Business, Innovation and Enterprise's (MBIE) proposals to further amend the Electricity (Hazards from Trees) Regulations (the Tree Hazard Regulations) to increase coverage of trees that could damage electricity lines.

These reforms are critical for building infrastructure resilience, protecting consumers from power outages and adapting to climate change.

Summary of Entrust's submission

- Entrust welcomes that MBIE is undertaking additional consultation on the Tree Hazard Regulations, following the reforms announced earlier this year.
- We also welcome that MBIE has undertaken the latest consultation relatively swiftly. We previously submitted that review of the Tree Hazard Regulations was long overdue and should be completed at pace.¹
- It is clear MBIE has listened to the concerns expressed by Entrust, Vector and other lines companies that the initial reforms didn't go far enough in addressing the risks from falling trees.
- Entrust agrees with MBIE that the current regulations do not adequately address the risk from trees outside the Growth Limit Zone (GLZ) falling onto lines.
- We support the proposals to allow lines companies to issue tree owners with a notice that vegetation outside the GLZ poses a risk to electricity lines. We also support the proposed requirement for lines companies to undertake a risk-based assessment before a notice is issued.
- The reforms are needed to improve network resilience and reduce outages. They will help further mitigate Entrust's concerns that trees damaging power lines is unsafe, and about the harm to households and businesses from power outages. Loss of power can be particularly problematic for households with young children, elderly, and people who are medically dependent on electricity or otherwise vulnerable.
- Being able to rely on the supply of electricity will become increasingly critical as New Zealand increases its reliance on electricity, e.g. for heating and transport, as part of its approach to adapting to climate change.
- We are concerned, however, that MBIE is proposing lines companies incur the cost of trimming and removing trees under the proposals. This creates a risk electricity consumers will end-up subsidising the commercial activity of the forestry sector.

¹ <https://www.entrustnz.co.nz/media/vvons0mz/submission-to-mbie-re-electricity-hazards-from-trees-regulations-2003-05-05-2023-1.pdf>

Entrust's submission

It is important the Tree Hazard Regulations reflect that the supply of electricity is an essential service for Kiwi households and businesses.

The reforms the Government is adopting are needed to improve network resilience and reduce outages. They are also needed to improve public safety.

While power outages can't be avoided when the types of storms and cyclones the North Island experienced last year occur, the extent of outages has been higher than they should have been due to trees hitting power lines. Vector estimates 80% of vegetation related outages are caused by hazards which aren't covered by the Tree Hazard Regulations.²

Entrust welcomes the acknowledgement that a gap remains in relation to management of the risk of trees falling onto electricity lines from outside of the GLZ, and that out-of-zone trees account for a significant portion of electricity outages in severe weather. Entrust agrees stronger measures are needed to manage out-of-zone tree risk.

Entrust supports the proposed introduction of a risk-based notice power giving lines owners the ability to require tree owners to remove a tree if it is a hazard, based on assessment of both the likelihood of the tree failing and the likely impact on security of supply or public safety. The approach to tree hazards should consider the likelihood of tree failure and the consequence of failure to electricity lines irrespective of its proximity to the lines.

The MBIE proposal is consistent with the submissions Entrust, Vector and other lines owners made in response to MBIE's 2023 consultation.

We are concerned, however, about the proposal that lines companies incur the cost of trimming and removing trees, including associated costs such as removing debris, particularly where the lines are not on the tree owner's property. Entrust agrees with Vector that "Cost should not be socialised while benefit is privatised". We also share Vector's concern that if tree owners don't incur the cost of damage caused by their trees, they will have little incentive to plant and manage vegetation preventively.

The funding proposal could create a situation where electricity consumers, including Kiwi households and businesses, end-up subsidising the commercial activity of the forestry sector and other tree owners. This would further exacerbate affordability issues in the electricity sector. Analogous issues have arisen with East Coast ratepayers incurring the cost of cleaning up the mess from commercial forestry slash and debris after storms.

Concluding remarks

Entrust wants to ensure the interests of consumers are protected, including the 364,000 households and businesses in central, east and south Auckland that are beneficiaries of Entrust.

There are currently more power outages than there should or need to be caused by issues with trees interfering with power lines that aren't adequately addressed by the current Tree Hazard Regulations. The latest proposals for reform of the Tree Hazard Regulations are a welcome additional step for ensuring the regulations protect against unnecessary safety hazards and power outages caused by trees damaging power lines.

² Vector Limited Electricity Asset Management Plan 2024-2034: <https://blob-static.vector.co.nz/blob/vector/media/vector-2024/electricity-asset-management-plan-2024-combined-final-updated.pdf>

Kind Regards,

A handwritten signature in black ink, appearing to read 'a bell', written in a cursive style.

Alastair Bell
Chair of Regulation and Policy Committee