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Hydro Developments Ltd and Solid Energy agree way forward for hydro at Stockton

Hydro Developments Ltd (HDL) and Solid Energy New Zealand Ltd have reached an agreement about using water from Stockton Plateau to generate electricity. The agreement clears the way for HDL to progress its hydro-electric scheme at Stockton alongside Solid Energy's mining operation on the plateau.

Hydro Developments gained resource consents in January 2010 for a hydro scheme at Stockton. Solid Energy appealed that decision, concerned that the HDL scheme could compromise its ability to efficiently and economically mine at Stockton. Solid Energy was not successful with its application in June 2010 to gain consents for an alternative hydro-electricity proposal and has appealed that decision. Solid Energy is continuing to pursue its own appeal but accepts that any consents granted will be subordinate to the consents for the HDL scheme. As a result of today's agreement, Solid Energy and HDL will abandon their appeals of the other's scheme.

Solid Energy will now provide HDL access to the land it requires and HDL has agreed not to oppose any consent applications for water diversions Solid Energy may require for the efficient operation of its coal mining operations at Stockton.

HDL Director, Ant Black, and Solid Energy Chief Operating Officer, Barry Bragg, say the agreement addresses both sides' concerns and smoothes the way for HDL to continue developing its proposal.

"It's been a somewhat convoluted route to what is an equitable and good-spirited outcome," Ant Black says. "HDL is excited about progressing the project and is looking forward to an improved and cooperative relationship with Solid Energy."

Barry Bragg says Solid Energy too is looking forward to working with HDL as it moves its project forward. "We are pleased we've been able to come to an agreement, particularly on Solid Energy's right to use water for current and future mining and at the same time giving land access to HDL so they can take their project forward."

• For further information, please contact:

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