



PRESS RELEASE

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Stockton Plateau Hydro Scheme Consents are Granted

A significant infrastructure project is set to go ahead following news that a company based on the West Coast has been given resource consent approval to build a hydro-electric power scheme on the Stockton Plateau.

When it is commissioned by Hydro Developments Ltd in 2015, the Stockton Plateau Hydro Scheme, will be the first large-scale power producer on the West Coast.

The scheme will produce enough electricity to power all the Buller District including Westport, as well as north to Karamea and south beyond Charleston.. The scheme will provide sufficient power to meet all residential demand and the demand from major industries in the district. The current high cost of power is one of the reasons Holcim cement works is considering relocation from the Buller. Surplus power will be fed into the National Grid.

The scheme will also take contaminated water from the coal mines on the Stockton Plateau and divert it away from the Ngakawau River, thereby reducing pollution in the river and avoiding huge annual expenditure by the Crown on chemical water treatment. The scheme will avoid acid mine drainage from the Stockton Plateau becoming a major environmental liability for the Crown when mining licences expire and the coal resources are exhausted around 2030. The scheme has received widespread support from the environmental lobby for these reasons.

"The local community understands the scheme and support has been fantastic," HDL director and project manager, Wellington-based engineer John Easter says.

Mr Easter says the company estimates that construction costs will be in the order of \$200 million and will create about 50 jobs over the expected five-year construction period. The scheme will be built using the resources available on the Coast, with around \$175 million spent on local contractors and suppliers.

"It is very much a project for our times being New Zealand-owned, locally driven, and improving the environment while using a renewable energy source to increase New Zealand's electricity generation capacity," he said. "The project implements the environmental call to 'think and act locally'."

"This scheme ticks all the boxes. We are now working through the consent requirements that must be satisfied before geotechnical drilling and site works can begin. Interim access arrangements for geotechnical drilling have been agreed so final design can progress as access agreements, easements and land exchanges are completed. Activities on site should start in the next month or so."

The consents are open to appeal to the Environment Court until 8th February. Mr Easter says any appeal would simply delay environmental and economic benefits to the local community and the Crown.

He said HDL was working with a number of private and public sector energy businesses who have an interest in an equity share of the Stockton Plateau Hydro Scheme. A "public private partnership" may be possible, whereby the private sector, HDL and its equity partners, contract to provide outcomes to the Crown. The scheme will deliver the Crown regional economic development policy outcomes as well as real reductions in annual operating expenditure for the treatment of acid mine drainage.

When fully commissioned, the scheme is expected to provide a continuous power supply in the order of 20 megawatts, with output up to double this figure during and following rainfall. "No-one who has been on the Stockton Plateau when it is raining would doubt those figures," Mr Easter said. A conservative assessment of the energy produced each year is 240Gwhrs. Capital Costs are in the

order of \$4-5 million per MW; less than \$1million per GWhrpa and similar to recently announced new entrant hydro generation projects.

In their decision on the resource consents, the commissioners said the applications readily met the tests of the Resource Management Act.

“The scheme will provide substantial social and economic benefits to the region and the nation, and will use a renewable resource in doing so,” they said.

The Commissioners also said that not only did the project meet the RMA’s requirements for sustainability, but the removal of a large volume of Acid Mine Drainage from entering the Ngakawau River should improve water quality in the river, at the same time as the water was used, “to generate a much-needed local supply of electricity”.

The full resource consent decision is available on www.wcrc.govt.nz . Full details of the scheme are available for download from www.hydrodevelopments.co.nz.

John Easter can be reached on john.easter@hydrodevelopments.co.nz and on 0272392097

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