



Report 06.239
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Committee Rural Services and Wairarapa Committee
Policy, Finance and Strategy Committee
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Stoney Creek: possible wind energy development

1. Purpose

To advise the Committee about the possibility of making Council land available for a wind farm at Stoney Creek, south Wairarapa.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The possibility of a wind farm at Stoney Creek was first raised with the Landcare Committee in May in a public excluded report.

Stoney Creek is a property of 2185 ha to the southeast and approximately 20km from Martinborough. It was purchased by the Council in 1989 for soil conservation purposes. At the time, the land was farmed and the many extensive slips on the property were contributing to the aggradation of local rivers and streams.

Extensive planting of *pinus radiata* (and limited areas in other species) in the period 1990 to 1994 together with other conservation work has lead to a dramatic improvement in the property.

Many of the slips have been stabilised while others are being brought under control.

From a conservation point of view, the property is a considerable success. All this though has come at a cost and it will be about another 15 years before trees can start being harvested. Currently, the Council's Wairarapa conservation

forestry areas, which includes the Stoney Creek property, are indebted to the sum of \$9.6M.

Off site benefits are increasingly becoming apparent and are measurable through the lowered stream bed level under the Stoney Creek bridge.

4. Stoney Creek short-term revenue options

Given the age of the *pinus radiata* trees, grazing animals between them is not an option. The property is thought to be devoid of minerals though some of the rock in the river is suitable as road building material. Demand for this product in the area is limited.

One of the elevated ridges at Stoney Creek is adjacent to Genesis Energy's (Genesis) Hau Nui wind farm. Genesis expanded their wind farm two years ago. Given that the main ridge at Stoney Creek is at a similar or higher elevation to the Genesis' site, then a wind farm is probably economic.

5. Proposal

Initial investigations suggest the Stoney Creek land could support a wind farm of 50-60 MW (Genesis' Hau Nui wind farm is 8.65 MW). This would require removing some *pinus radiata* trees and upgrading the existing roadway along the ridge. Because of the wind, the trees on the ridge are not growing as fast as those on the lower slopes. These upper trees, when mature in 16 or so years, would be sold for lower value domestic, export and pulp grades.

If the area cleared of trees is approximately 50m wide and 8km long, then this totals 40 ha, or 1.8% of the Stoney Creek area.

6. Policy issues

Following the purchase of the Stoney Creek property, a management plan was prepared and has subsequently been updated. The goal is:

“To apply sustainable soil conservation management, minimising the onsite and downstream impacts of erosion and flooding, in a manner which is sensitive to regional and community economic and social interests.”

As noted above, the conservation management has been successful but the economic return is lagging. The plan outlines various principles, none of these prevent the construction of a wind farm. Rather, wind farm construction would have to take account of the principles.

The Stoney Creek property is owned by the Council in fee simple and not subject to the Reserves Act or other similar Acts. The call as to whether the land is made available for a wind farm rests with the Council. Any development would be subject to the Resource Management Act and the South Wairarapa District Council's District Plan.

7. Development process

Three sites have been investigated so far for possible wind generation in the Wellington area. Because each of these sites is associated with a regional park or a future water catchment area, there have been other factors to take into account in evaluating the suitability of the land. For this reason, the investigations have been relatively comprehensive prior to considering whether or not the land should be made available to a wind energy developer. At Stoney Creek, the process is different, there are no legislative constraints on the Council as to how the land is used, provided there is a compliance with the District Plan. Also, with the Genesis Energy's proven wind energy farm only a few hundred metres from the northern end of the site, it is reasonable to assume that a wind farm development at Stoney Creek is likely to be economic.

There is good access to the Stoney Creek site, though if the wind turbines are larger than used by Genesis Energy, some roading improvements may be needed. The key issue is transmission of the power from the site, it is expected a new power line would be needed resulting in possible rationalisation of the existing power lines.

From a visual point of view, all houses are at least 2km from the site, apart from two farm houses that are approximately 1.5km away. In the case of the latter houses, the existing Genesis Energy turbines are closer to them than possible Stoney Creek wind turbines.

If the Council decides to proceed with a development, it could either develop the site itself or select a wind farm developer. Currently, wind energy developments are costing about \$2M per megawatt. For the Stoney Creek site, this requires in the order of \$100-\$120M. Given the other pressing issues for the Council, such as public transport, it is recommended the Council does not undertake a development of this type. If this is accepted, then it is a case of selecting a suitable wind energy developer. This process and other commercial considerations are outlined in report PE06.240.

Once a developer is selected and an agreement concluded, then the developer would erect wind recording equipment at the site and at the same time, embark on other studies to assist with a resource consent application. This process would probably take 12-18 months. If the developer decides a wind farm is economic, then they would proceed with the resource consent application. If this is granted, construction of the wind farm would take about 18 months. During the process, the wind farm developer would be liaising with key stakeholders and the public.

8. Communications

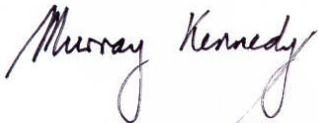
If the Rural Services and Wairarapa Committee and the Policy, Strategy and Finance Committee approve the recommendations, then it will be appropriate for the Council to issue a media release.

9. Recommendations

That the Committee:

1. ***Receives*** the report.
2. ***Notes*** the content of the report.
3. ***Directs*** officers to invite selected electricity generation companies to submit a proposal for investigation, development, construction and ownership of a wind farm at Stoney Creek.
4. ***Directs*** officers to recommend a wind farm developer to both committees in due course.

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