

BEFORE THE AUCKLAND UNITARY PLAN INDEPENDENT HEARINGS PANEL

IN THE MATTER of the Resource Management
Act 1991

AND

IN THE MATTER of hearings in relation to
submissions and further
submissions by **MIGHTY
RIVER POWER LIMITED** on
the **PROPOSED
AUCKLAND UNITARY
PLAN**

**SUPPLEMENTARY STATEMENT FOR MIGHTY RIVER POWER PRESENTED BY
STEPHEN COLSON**

1. INTRODUCTION

- 1.1. My name is Stephen Colson. I hold the position of Manager Planning & Policy at Mighty River Power Limited ('Mighty River Power' or 'the Company').
- 1.2. Mighty River Power lodged an integrated submission across numerous parts of the Proposed Plan as well as a number of comprehensive further submissions to primary submissions made to the Proposed Plan by other parties. This evidence outlines Mighty River Power's response to a recent decision to close Southdown power station at the end of 2015. I am authorised to present this evidence on behalf of Mighty River Power, in support of the Company's submission and further submissions on the Proposed Auckland Unitary Plan (the 'Proposed Plan').

2. EXECUTIVE SUMMARY

- 2.1. A decision has been made by Mighty River Power Limited to close the Southdown Power Station at the end of 2015.

2.2. Mighty River Power still has an interest the Unitary Plan to the extent policy provides for:

- Metrix electricity metering activities, and respective network utility provisions.
- Cross regional issues, as they relate to the support provided to Auckland by electricity generation and transmission infrastructure located in the Waikato.
- Implications on Mighty River Power industrial land holdings at Southdown, Penrose (the Southdown Power Station site).

3. MIGHTY RIVER POWER - SOUTHDOWN POWER STATION OPERATIONS

- 3.1. After careful consideration, and despite extensive activity to secure the plant's long-term future of the Southdown Power Station, a decision has been made by Mighty River Power Limited to close the plant at the end of 2015. The plant is expected to close on 31 December this year, and then be decommissioned and sold offshore.
- 3.2. The role of the Southdown Power Station in Mighty River Power's electricity generation portfolio has continually evolved in response to market conditions during our 15 years' ownership. Over the last 18 months, the Company has attempted to enhance its contribution, including leasing a unit to a competitor to reduce fixed costs, renewing the consent with enhanced conditions, and undertaking a sales process last year (unfortunately, a sale was not achieved). Last year the decision was taken to reconfigure the plant with the 35MW steam turbine being shut down at that time, reducing total capacity to 140MW.
- 3.3. A subsequent review identified that a two-fuel portfolio (hydro and geothermal) combined with a stronger national transmission grid and a vibrant hedge market provided a more competitive portfolio.
- 3.4. This is also consistent with the significant reduction in thermal generation in New Zealand as renewable generation has grown stronger.
- 3.5. As a result of Southdown's imminent closure, this evidence signals consequential changes to Mighty River Power's approach to the unitary plan hearings including policy topics that are in progress or have been completed.
- 3.6. Mighty River Power still has an interest in the Unitary Plan to the extent the plan provides for:

- Metrix electricity metering activities, and respective network utility provisions (which will form part of Topic 042 Infrastructure).
- Cross regional issues, as they relate to the support provided to Auckland by electricity generation and transmission infrastructure located in the Waikato (these issues are part of Topic 018 RPS General, which Mighty River Power is a part of).
- Implications on Mighty River Power industrial land holdings at Southdown, Penrose being Southdown Power Station.

4. REGIONAL POLICY STATEMENT (RPS)

- 4.1. Mighty River Power was involved in RPS Policy Topics 005 RPS Issues, 006 Natural Resources and 012 Significant Infrastructure and Energy. The Company's engagement and policy outcomes sought where the result of extensive collaboration with other infrastructure providers. In my opinion there is nothing exclusive to Southdown, in respect of provisions for electricity generation activities, which requires any additional consideration by the panel to react to the news of the closure of the Southdown power station.
- 4.2. Mighty River Power will continue its involvement in Topic 042 Infrastructure and 065 Definitions to address the manner in which telecommunications and electricity generation activities are provided for in the Unitary Plan where the company holds current or future interests in Auckland as outlined above.

5. REGIONAL PLAN

Topic 035 Air Quality

- 5.1. Mighty River Power supported Councils stance to include an offsetting policy for other contaminants within Topic 035 Air Quality. As far as I am aware Mighty River Power was the only party to support the Council stance on extending the offsetting approach to other contaminants aside from particulates. As a result of Southdown power station's imminent closure, Mighty River Power has no further cause to advance an offsetting policy relating to air discharges.
- 5.2. Mighty River Power does continue to support the inclusion of the industrial land at Southdown within the proposed Reduced Air Quality Amenity Overlay. With the closure of Southdown on the horizon, this overlay provides some flexibility for future land use, whilst giving certainty to existing users with consented air discharges.

Topic 022 Natural Hazards and Flooding

- 5.3. There are some consequential changes to Topic 022. Mighty River Power continues to seek that the Southdown site is excluded from the Flood Prone Area overlay. Mr Graafhuis will elaborate on his evidence to the Panel today.
- 5.4. David Leong's evidence remains relevant to the application of the Flood Prone Area overlay definition to stormwater containment facilities.
- 5.5. Mighty River Power will be commenting on definitions of minor infrastructure upgrading to the extent the definition is relevant to electricity metering, rather than electricity generation activities

Topic 039 Hazardous Substances and Industrial Trade Activities

- 5.6. Mighty River Power has no further interest in this topic. The timelines associated with new stormwater resource consent requirements exceed the timelines associated with the deconstruction of the Southdown Power Station. There may be some transitional issues that will need to be worked through to ensure resource consents remain operable and or plan provisions remain workable in this situation.
- 5.7. I respectfully submit that changes sought by Mighty River Power are accepted by the Panel.

Stephen Colson

April 2015