

# **Evidence to Board of Inquiry** **Contact Hauauru ma Raki Wind Farm**

**Submitters: Ranworth Farm Limited**

And

**R E & P D Townshend Foundation Trust**

And

**Ross Edwin Townshend**

**Effected sites: 12 and 45 Te Akau Coast Road, Te Akau.**

## **Introduction**

1. My name is Ross Edwin Townshend
2. I appear as this hearing in several capacities
  - a. Sole shareholder and Director of Ranworth Farm Ltd, a 700Ha sheep and cattle property, impacted by HMR
  - b. Trustee for R E & P D Townshend Foundation Trust, a funder to Ranworth Farm Ltd.
  - c. In a personal capacity, as someone concerned for “New Zealand Inc”, to ensure that New Zealand does not invest in absurd ideologically driven schemes, that we will have to live through for years to come.
3. I have a B.Tech (Food Engineering) degree from Massey University and have attended senior management programs at
  - a. Australian Management College, MDP
  - b. University of Chicago, MDS
  - c. Harvard Business School, AMP/ISMP.
4. I currently work in several fields
  - a. As a senior executive in a large private equity company
  - b. As a farmer on my own account (dairy, beef and sheep)
  - c. As an investor and director of companies involved with
    - i. Helicopter Aviation
    - ii. Road freight
    - iii. Process Automation
    - iv. Project Management
    - v. Precision Engineering
    - vi. Consumer Preference Determination
    - vii. Commercialisation of Intellectual Property

5. In “earlier lives”, I have held senior executive positions in the dairy industry, (\$3B revenue, \$1B asset value), and I have been Chief Executive of a major meat processor and marketer, (\$1B revenue, \$300M asset value).
6. I have successfully run my own consultancy business for 4 years.
7. In my current “day job”, I am involved with acquisition, turn-around and divestment of large businesses, on a regular and cyclical basis, both domestically and internationally.
8. With regard to energy issues,
  - a. I have worked “hands-on” directly on power generation, holding a “steam ticket” to operate large boilers to drive steam turbine generators
  - b. Under my stewardship, several steam turbine power plants and gas turbine power plants were conceived and executed successfully, in conjunction with dairy processing operations
  - c. My employer owns six pulp and paper processing operations that are very large energy users, most with in-house power generation options.
9. I am unashamedly a climate change nay-sayer.
10. It is interesting to note that a number of Contact’s witnesses have acted for me previously in other RMA matters, and drawn 180 degree opposing perspectives, and presented directly opposite evidence.

### **My Evidence**

I oppose to the entire wind farm concept and the entire wind farm approval process on the following basis:

1. The decision by the previous Minister for the Environment to call in the consent application was flawed, unnecessary, heavy-handed, and sought to circumvent due public process.
2. I understand that at least two of the Councils opposed the call in decision, as usurping the legitimate rights of the Councils and the communities that they represent.
3. An appeal to the new Minister to have the Board of Inquiry abandoned has not seen the courtesy of a response.
4. The call-in decision relies on flawed thinking around the myth of anthropogenic climate change and the Kyoto Protocol, and the rushed through, poorly thought out ETS legislation, that has the distinct potential to economically cripple New Zealand.

5. The new government has indicated that it will review and may overturn the ETS legislation, and with it, the flawed economic or environmental “justification” for any further wind farms in New Zealand.
6. The act of calling-in this process eliminates any real public involvement beyond this hearing, delegating decision making totally to the panel on the Board of Inquiry, with High Court appeals permitted only on points of law. There are insufficient public safeguards in this process.
7. How can the Environment Court, created for just such a purpose, with a higher level of public submitter input and participation, simply be by-passed by this process?
8. The Resource Consent application by Contact is some 25MB in disc form, and 2745 pages in written format. It is not fair or reasonable to expect individuals to participate in the process (especially within the time-frames provided).
9. Similarly, the Applicant’s “evidence” fills four CD-ROMS, and is beyond the reach of most individuals.
10. The computer mapping would be well past the capability of most home computers (and most computer owners!)
11. New Zealand will be forced to live out the physical life of existing wind farms, at huge economic cost, and great environmental cost, including removal and demolition. It is a myth that wind farms have any environmental credibility, when considered over whole-of-life.
12. Even the very name of the project is some sort of politically correct “sop” to the Tangata Whenua, who should have no interest whatsoever in corrupting the landscape and environment that they purport to value.
13. The effects of the wind farm will be felt disproportionately by the people, property owners and communities in the Franklin and Waikato districts, well beyond what is reasonable.
14. Such a facility should logically be situated as close as possible to the end users of the electricity. That would suggest a location North and West of the Manukau Harbour, if a wind farm was a sensible solution, or adjacent to the electricity network, and Contact’s own existing Otahuhu thermal power plant, if the selection was based on logic, economics and reality.

15. Consultation on the project has been limited to minor communication by light-weight zealots and false prophets who believe in the concept of wind farming, without any commercial basis. There is no “plan B” offering – just wind turbines, more wind turbines, then power transmission lines, on privately held land.
16. Since the closing of submissions, there has been no contact with me as a submitter, other than circulation of “evidence”.
17. There is no mention what-so-ever of electricity generation back-up required for when the wind farm is inoperative for low wind, high wind, or other reasons. This project is only a “partial solution”.
17. I understand that none of the wind farms operating in New Zealand operates at more than 30% up-time, and that at least one wind farm operates at less than 20% up-time. Contact needs to present evidence on up-time assumptions and what happens the remainder of the time. There can be no realistic consideration of options until the source of the other ~80% of “matching” generation is known.
18. I resent and reject the designation rights given to Contact Energy as being draconian and unacceptable to the community and a theft of property rights. How can private property rights be trampled by a majority-foreign-owned publicly listed company
19. The Waikato coastal environment is of significant environmental merit. The Waikato District Council District Plan provides a specific Coastal Protection Zone. This wind farm application totally overlooks this issue.
20. It remains to be seen how intently WDC intends to protect the features in its District Plan, especially features of note like the Coastal Protection Zone.
21. There will be considerable disturbance during the construction period, with quarrying, construction, road transport of over weight, over size, over length loads, and additional traffic relating to the ongoing operation of the wind farm.
22. There is even likely to be some “industrial tourism” especially by those who want to see the “mugs” who give up their landscape and lifestyle for wind turbine sites.

23. While Waikato District Council will no doubt see an opportunity to have some deferred/delayed/neglected road work done at Contact's expense, there needs to be substantial controls around Contact's initial capital inputs, that include considerable bonds to ensure adequate on-going provision of roading and infra-structure, and then on-going maintenance. There needs to be a full schedule of what road works, bridge replacements etc will be provided by Contact.
24. The coastal environment is also prone to erosion and there will be considerable mitigation measures during construction and operation. Just the access to the turbine sites will uncover massive areas of bare ground, that will support erosion, weed growth etc.
25. The prospect of huge pylons, presented euphemistically as "lattice towers" and other overhead transmission structures is totally unacceptable in the Te Akau rural setting. The transmission system must be installed totally underground.
26. Contact has been systematically prostituting land owners with potential turbine sites, while at the same time, being miserable with land owners on transmission routes. There needs to be total transparency on what financial offers are being made to whom, and on what comparative basis. There must be 100% transparency and equity on this issue.
27. The wind farm will have a finite life, which will most likely be driven by financial non-viability of wind generation, when honesty and integrity returns to the energy debate and climate change is finally debunked as a "*Convenient Lie*" rather than an "*Inconvenient Truth*".
28. Alternatively, the wind turbines will reach the end of practical working life and Contact need to be held to account to return the environment to a pre-wind farm condition, removing all trace of the turbines systems, including foundations, bases, transmission systems, substations etc. This would require a bond equal to the value of the entire wind farm construction to be lodged, with the bond value inflated at PPI for the life of the project.
29. The Assessment of Environmental Effects of all of the stages of the project are all pathetically inadequate. While superficially the 20 "technical reports" look impressive, they share several aspects in common:

- a. They are all extremely shallow
- b. None of them have any form of peer review.
- c. They are generally written by “hacks” who flex their perspective depending on who is paying their fees. A number of the consultants have worked for me in earlier lives, and have created perspectives for this wind farm that are 180 degrees out of phase with other perspectives they have created for different “masters”.
- d. As many of the matters under consideration are simply unknown, in scale and effect, many of the “technical reports” are purely speculative in content.
- e. Many of the reports should be considered “drive-by” assessments, especially the visual assessment reports by Isthmus, which are patently superficial. The writers of this report simply have had no access on which to base their opinion, so they make it up as they go along.
- f. 17 visible turbines, in direct line of sight from the front veranda of our house, is not a “minor” visual impact, as described in the original Contact application. The pathetically optimistic graphics work specifically avoids assessing the visual impact of the G cluster turbines on the direct line of sight view from our house.
- g. There is a token attempt, well short on assessing the real impact, shown as exhibit GCL 23b, viewpoint 16, page 41, which is hopelessly inadequate in assessing the direct impact on our view. (Also exhibits GCL 55b and 55c, viewpoint 47, pages 27 & 28). These photos are taken at low level, at/near the Waimai bridge, rather than from the much higher elevation at our house.
- h. The HMR people prostituted a number of property owners with trips to Palmerston North to view the wind turbines on the Ruahine Ranges. These turbines are 15 to 30km from Palmerston North city, and they are very clearly visible. The photo montages in Lister’s evidence bear no resemblance whatsoever to the “real-life” view of turbines in Palmerston North
- i. The computer graphic work does show that the turbines in cluster G are at the highest end of the scale of offensiveness. (exhibit GCL 5b, page 10).

- j. The photographs have been taken selectively to minimise the wider perspectives, and present a deceptive view of the real impact.
  - k. Most reports should be considered as “interviewing one’s own PC” as they are patent re-cycling efforts from other work and other applications.
  - l. By way of example, (but typical of the quality, rigour and integrity all of the “technical reports”), the Kessels and Associates Assessment of Ecological Effects uses the phrases “likely to be limited”, “anecdotal observations”, “further surveys”, “needs to be tested by further observational work in the field”, “may increase the risk”, “never been tested”, “likely to be no more than minor” and “expected to be no more than minor” all on just one page (page 2) of their report. They simply do not know, they are guessing and the work is shallow and superficial.
  - m. Every report needs to be factual rather than opinion based.
  - n. Every report needs to be 100% peer reviewed, preferably by a panel approved by the affected parties and submitters. There is zero peer review provided for any reports or evidence.
  - o. One firm in particular, seems to be expert on all or any matter and offers opinion on such diverse matters as tourism, ecology offset mitigation and planning matters.
30. Specifically, the construction period effects are “under-done” in all respects.
31. The economics of wind farms are well known to be poor, and almost irrespective of the price of Carbon, wind generated power is significantly more expensive than any other alternative (perhaps excluding very small scale, and internal combustion systems, that are not serious options for main-stream NZ power supply).
32. In an article on wind farms in NZ Herald 02.01.08, Bryan Leyland, arguably New Zealand’s smartest energy thinker discusses wind farm economics. He predicts that the headlong rush to wind farms will cause a power price increase of “30% to 40% within the next few years”.
33. The same article says “previous Electricity Commission figures suggest wind would cost 11c a unit, about twice the present cost of coal or gas”.

34. Hydro and Geothermal energy costs are significantly lower again than coal or gas generation.
35. It is reasonable to assume that wind farms generation cost will be double the average generation cost.
36. A Waikato Times article, dated 11.02.08, discussed a German farmer's wind generator (98m tall, and costing NZ\$4.1M, installed in 2002, and not small scale) which "should start turning a profit in another ten years, depending on the wind".
37. In order to achieve this appalling profit performance, the project is heavily subsidised. "At the beginning of 2007, generators were paid Euro 8.1 cents (now NZ\$0.203) a kilowatt hour for at least the first five years, dropping to Euro 5.2 cents (NZ\$0.13) over 20 years. That's compared with an average of Euro 5 cents (NZ\$0.125) for electricity from non-renewable sources" (which in turn are much more expensive than renewable sources that NZ has in abundance).
38. Germany's "feed-in" law guarantees "wind producers at least 80% of the final electricity price paid by the power user, instead of the market rate of about 25%".
39. This is after a significant, but not specified, government subsidy for the initial capital cost,
40. How can anyone be serious about proceeding with wind farms without such a subsidy?
41. This project will turn a profit after 16 years, after the substantial subsidy, not available in New Zealand, which should be of great comfort to Contact shareholders.
42. In the same article states "it's Think Big in the extreme, and the anti-thesis of the advice of the previous Parliamentary Commissioner for the Environment, Morgan Williams gave in his 2006 report Wind Power, People and Place".
43. These is no meaningful economic analysis, especially as the back up generation options are unknown. This is only a 20% solution and the 80% is not defined or expressly forbidden by the previous government's decree.
44. Contact's clear corporate incompetence has been demonstrated by the Board of Directors' abortive attempt to feather their own nests with increased directors' fees.
45. Simultaneously, Contact has lost 4% of its customer base, due to this corporate arrogance.

46. There has been a loss of shareholder value of ~60%.
47. Given recent historic financial performance, and the difficulty in funding even sensible projects, it is unlikely that Contact will be able to fund this project in the foreseeable future.
48. It is possible, even probable, that Contact will simply pass on any consents granted by the Board of Inquiry to another party to commercialise. That will almost certainly lead to a loss of control over the project outcomes that are totally unacceptable.
49. Alternately, the project will proceed on a deferred time-line, with enduring uncertainty for property owners and residents. There needs to be a reasoned "drop-dead" date for this project.
50. As a majority off-shore owned company, Contact has no right whatsoever to plunder New Zealand's coast-line, New Zealand's resources, and New Zealand's electricity consumers for decades to come, with this mindless economic and environmental proposal.
51. To the best of my knowledge, no RMA hearing or the Environment Court has been prepared to decline a wind farm consent.
52. All wind farm applications have been granted consents, sometimes modified to a minor extent.
53. The HMR application is well beyond the scale of any other wind farm applications in New Zealand (and probably globally).
54. Will this Board of Inquiry be genuinely prepared to deal with the real issues, or will it simply roll-over to Contact?

## **Remedies Sought**

- 1 Immediate cancellation of the Call in process
- 2 Withdrawal of the entire application suite by Contact, to deliver better economic and environmental outcomes at a later date.
- 3 This project is a very large scale project at a cost estimated at up to \$2 Billion. It is inappropriate for a project of this scale and dimension to be considered as a single project entity. The project should be broken down into several parts, each not exceeding \$500 million, with each part considered separately and sequentially.
- 4 “Conventional” RMA hearing by Franklin and Waikato District and Waikato Regional Councils, including “normal” Environment Court and High Court appeals processes. Hearing to be heard by a blended panel of councillors (one from each Council) and commissioners (two of appropriate, relevant, objective engineering competence), with appropriate expertise and reasoning power.
- 5 Full economic disclosure of the economics of wind power generation, especially including the required back-up when the wind farm is not operating, this disclosure to demonstrate relative costs of wind power vs. Geothermal, Hydro, CCGT, Nuclear, and existing thermal options. For the sake of completeness the analysis should also consider some futuristic options such as wave, tidal etc.
- 6 Full disclosure of the operating efficiency of all existing New Zealand wind farms, showing the proportion of operating hours per year that they actually contribute to the national electricity supply.
- 7 Full disclosure of how and where and from what source electricity will continue to be generated, when the turbines are not operating.
- 8 Full disclosure of offers made to turbine site land owners and transmission line land owners, with background to the calculations, detailing equity.
- 9 Transmission systems to be 100% underground, at least out to the Huntly substation.
- 10 Contact must be required to lodge bonds equal to 100% of the construction value of the entire project, to be escalated annually by PPI, to provide for the total demolition of all generating and transmission facilities, and re-instatement of the environment, at the end of the project life, to an as-is (current) standard.

- 11 We are not prepared to have any visual exposure whatsoever to any wind turbine, or part thereof, or any part of any transmission system, including sub-stations, visible from any part of our properties.
- 12 We are not prepared to have any noise exposure, beyond current District Plan levels, whatsoever during the construction phase or during any operational phase throughout the life of the wind farm.
- 13 Specifically we demand that the cluster on turbines to the North and South of our properties at 12 and 45 Te Akau Coast Road be removed from the plan, and that any transmission systems, visible from any part of either property be removed from the plan. There should be no part of the wind farm system visible and no part of any system closer than 2000 meters from the boundary of our properties. Specifically, that means the removal of the "H" cluster of turbines, the "I" cluster of turbines and the Te Akau substation, and the over-head transmission lines running to and from the substation.
- 14 Despite the visual impact assessment nominating the visual impact on our property as "minor", the entire turbine cluster, known as G011 to G027 inclusive, is in direct line of sight from the front veranda of our house. We demand the total removal of all 17 turbines from the plan.
- 15 There are two concrete batching plants in close proximity to our properties. This is a rural zone, and concrete batching belongs in an industrial zone. Consent for both batching plants must be declined.
- 16 Any construction work limited to the hours 0830 to 1630 inclusive.
- 17 Contact be required to submit a fully detailed, fully-costed roading plan, that includes every road that Contact, their contractors, consultants and everyone involved with the wind farm project intend using, being brought up to full District Council road standard, including full width two-lane tar sealing, two-lane Class 1 axle loading bridges, at no cost to Franklin and Waikato District Councils, or their rate payers, with roading improvements to be fully vested to the councils. All roading work to be completed and certified before any wind farm construction and installation starts.
- 18 Contact to be required to provide an annual maintenance provision to WDC and FDC, equal to 15% of the capital cost of the roading upgrade cost (from point 17 above)
- 19 All wind farm structures must be expressly excluded within the existing WDC Coastal Protection Zone.

- 20 Contact be forced to recognise the disproportionate burden on residents and property owners with the impacted areas, and to compensate residents at \$50000 per person, and land owners at \$5000 per hectare. This would be payable before any work commences on the project, to recognise the inconvenience to residents and property owners. This compensation would be tax-free and paid to all those within 5km of a wind farm component, or a road used in conjunction with the wind farm construction or operation.
- 21 Any property owner, who feels that they have been negatively affected by the wind farm project in any way, has the option to force Contact to purchase their property, on a going-concern basis, (land and buildings and stock and plant) with the price determined by the mid-point of two valuations carried out by registered valuers, one each appointed by Contact and the property owner. This condition would last for the duration of the project life, or 15 years (whichever the shorter).
- 22 The timing of the wind farm project is not determined. Contact should be forced to complete the entire project works within 24 months of being granted consent.
- 23 Failure to complete the works within 24 months would lead to forfeiture of the rights to later stages.
- 24 The potential re-opening of the Whitford Quarry is not appropriate in a rural zone. If it was to be permitted, it would need to be with appropriate conditions, agreed by all residents and property owners within 10km of the quarry.
- 25 There will be considerable impact on waterways that requires consent conditions that hold Contact to account to the highest reasonable standard.
- 26 There should be no provision whatsoever of facilities for gawking visitors. This is not a tourist attraction of any type or any merit. Provision of such facilities flies in the face of the environmental argument that is being used to support this project. A bunch of nosy visitors in carbon generating cars will not be acceptable to us or the wider community.
- 27 In keeping with Contact's carbon reduction aspirations, the entire project, from project commencement right through construction, whole of life operation, to end-of-project-life, including demolition and reinstatement, should be built and operated to a carbon neutral standard, with every 6 monthly period compliant.

- 28 There needs to be a re-planting plan to ensure that bare earth, opened up by this large scale project is re-grassed forthwith, with aerial seeding and fertilising, to take place within 6 weeks of opening up the land. This is a necessary erosion protection, for sensitive wind-prone coastal land.
- 29 All exposed ground must be fenced off with sheep-proof and bull-proof fencing (electrified) for not less than 9 months to allow the new grass to become satisfactorily established.
- 30 All exposed ground must be covered with not less than 150mm of suitable top-soil before cultivation, planting and fertilising.
- 31 At some times of the year, there will need to be watering to support seed germination and young grass growth. This is not provided, and there is not sufficient water available. (Even water for concrete has to be stored to overcome insufficient supply from streams). Contact should be obliged to irrigate the re-seeded land for the periods 1<sup>st</sup> October to 30<sup>th</sup> April in any year.
- 32 Weed control will be a major problem, and Contact must be required to provide an underwritten plan to control weeds, and be held accountable for weed infestation of third party properties.
- 33 There needs to be a "Farm Management Plan" (referred to superficially in a Beca construction management report, but otherwise, not mentioned or developed in any way) prepared by a team of recognised agricultural specialists.
- 34 The turbines and the transmission lines represent a considerable aviation hazard to agricultural and recreational pilots. Any structure more than 50 meters tall should be required to be fitted with not less than 5 strobe safety lights, (including turbine blade tips) and every transmission span of more than 80 meters, need to be marked with visual markers, of a colour and size easily detected by pilots (safety orange colour and 300mm diameter).
- 35 The Kordia report is vague about Compatibility with Radio Services. The base-line condition for all houses with 5km of any part of the Wind farm system, must be
  - a. Provision of full satellite television service at no cost to residents
  - b. Provision of full satellite telecommunications services at no cost to residents.
  - c. Provision of full satellite broadband internet service at no cost to residents.
  - d. Contact to underwrite the free provision of all and any such future service that could be affected by the Wind farm.

36 That Contact be prohibited from transferring any rights to build or operate all or any part of the HMR Wind farm to any other party, including its Australian-owned majority shareholder, or any other commercial entity. I.e. The consent is not transferable, as a whole or in part, to any other party.

**Conclusion**

I reserve the right to be represented at the hearing by counsel, to call expert witnesses, and to present further evidence in hard copy.

Ross Townshend  
13.03.09