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BEFORE THE ENVIRONMENT COURT

ENV-2007-CHC-000297  
ENV-2007-CHC-000299  
ENV-2007-CHC-000300  
ENV-2007-CHC-000301  
ENV-2007-CHC-000302  
ENV-2007-CHC-000303  
ENV-2007-CHC-000304  
ENV-2007-CHC-000307

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IN THE MATTER OF

OF THE RESOURCE MANAGEMENT  
ACT 1991

AND IN THE MATTER OF

OF A SERIES OF APPEALS UNDER  
SECTION 120 OF THE ACT IN  
RESPECT OF THE PROPOSED WIND  
FARM AT LAMMERMOOR RANGE

BETWEEN

UPLAND LANDSCAPE PROTECTION  
SOCIETY INCORPORATED  
(ENV-2007-CHC-297)

APPELLANT

AND

DOUGLAS AND ORS  
(ENV-2007-CHC-299)

APPELLANTS

Cont/

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MEMORANDUM OF COUNSEL FOR MINISTER FOR THE  
ENVIRONMENT ON BEHALF OF THE CROWN IN RESPONSE TO  
QUESTIONS OF MR GLEADOW BY COMMISSIONER FLETCHER

4 February 2009

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SOCIETY INCORPORATED  
(ENV-2007-CHC-300)  
APPELLANT

AND ERIC AND CATE LAURENSEN  
FAMILY TRUST AND ORS  
(ENV-2007-CHC-301)  
APPELLANTS

AND I AND S MASON AND RIVERVIEW  
SETTLEMENT TRUST  
(ENV-2007-CHC-302)  
APPELLANTS

AND DIT-PIQUARD  
(ENV-2007-CHC-303)  
APPELLANT

AND CARR  
(ENV-2007-CHC-304)  
APPELLANTS

AND SULLIVAN  
(ENV-2007-CHC-307)  
APPELLANT

AND CENTRAL OTAGO DISTRICT  
COUNCIL  
FIRST RESPONDENT

AND OTAGO REGIONAL COUNCIL  
SECOND RESPONDENT

AND MERIDIAN ENERGY LIMITED  
APPLICANT

**MAY IT PLEASE THE COURT:**

1. During the examination of Mr John Gleadow, witness for the Minister for the Environment, on Friday 30 January 2008 two questions arose that the Environment Court sought further information on and requested that counsel arrange for it to be provided by memorandum to the Court. The following are the questions and the responses provided by Mr Gleadow.
2. Commissioner Fletcher, at page 2717 (line 28) of the transcript asked:  
  
“What I couldn’t find is what the Electricity Commission’s current view or view as per any of these documents on the likely costs of wind generation. Is that in there somewhere?”
3. Mr Gleadow responded to the question that it would be provided in the SOO (Statement of Opportunities 2008) or in the data sets published at the time. He agreed to identify the information.
4. Mr Gleadow has advised counsel that:  
  
“The 2008 SOO provides in table 16 on page 94 the Long Run Marginal Costs (LRMC) assumed for renewable generation. In this the LRMC for wind generation is assumed to be between \$80-\$85 per MWh for the best resources, with lower grade resources costed at over \$100 per MWh. The wind generation developments modelled in the 2008 SOO were in the best resource category and had an average value for wind project capital costs of \$2600 per kW installed capacity.”
5. Commissioner Fletcher, at page 2729 of the transcript, asked what proportion of wind was assumed in 2025 in the Electricity Commissioner’s 2008 SOO “Sustainable Path” market development scenario. Mr Gleadow indicated that the number was either in the SOO or could be derived from it.
6. Mr Gleadow has now advised counsel:  
  
“In the “Sustainable Path” market development scenario, assumptions made by the Commission regarding high thermal fuel costs and carbon charges result in on average 89.2% of electrical energy provided to the transmission grid being supplied from renewable sources in 2025. Of this 13.9% is assumed to

come from wind, significantly less than the assumed limitation of 20%. These figures are represented in Figure 31 on page 122 of the 2008 SOO. Assumed carbon prices are given in Figure 26 on path 101, the highest value of \$60 per ton being for the "Sustainable Path" market development scenario. Similarly the highest gas prices are also assumed for this scenario as \$13 per GJ as indicated by figure 27 on page 103."

7. Mr Gleadow also supplied the attached spreadsheet, which provides the full data for Figure 31 on page 122 of the SOO.
8. Counsel trusts that the above information addresses the two outstanding issues raised by Commissioner Fletcher.

4 February 2009



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Bronwyn Arthur  
Counsel for the Minister for the Environment  
on behalf of the Crown