

**BEFORE THE SPECIAL TRIBUNAL ACTING UNDER DELEGATED AUTHORITY ON BEHALF OF
THE MINISTER FOR THE ENVIRONMENT**

Under the Resource Management Act 1991

In the matter of an application for a Water Conservation Order pursuant to s201 of
the Act

By **THE NEW ZEALAND & NORTH CANTERBURY FISH & GAME COUNCILS
AND THE NEW ZEALAND RECREATIONAL CANOE ASSOCIATION**

**STATEMENT OF EVIDENCE OF TODD STANLEY MEAD ON BEHALF OF
MAINPOWER NEW ZEALAND LTD
2009**

INTRODUCTION

QUALIFICATIONS AND EXPERIENCE

1. My full name is Todd Stanley Mead.
2. I am the Commercial Manager for MainPower New Zealand ("MainPower"). I have worked for MainPower since November 2004 responsible for the development and implementation of MainPower's Generation Strategy and Energy Efficiency Strategy. I am also responsible for managing the Group's stakeholder relationships and business development functions.
3. My qualifications include a New Zealand Certificate in Mechanical Engineering 1987, Bachelor of Mechanical Engineering (First Class Honours) from Auckland University 1989 and a Masters in Engineering Management from Colorado University 1998. I have also recently attended an Advanced Management Program at Melbourne Business School.

PURPOSE AND SCOPE OF EVIDENCE

4. The purpose of my evidence is to discuss the following aspects relevant to the Water Conservation Order application:
 - Overview of MainPower and its operations
 - MainPower's involvement in the local community
 - MainPower's involvement in the Hurunui Water Project
 - High growth in regional electricity demand
 - The importance of renewable energy
 - Local Climate Change impacts
 - The regulatory maze surrounding the Hurunui River
 - Conclusions

EXECUTIVE SUMMARY

5. MainPower is community owned and has a strong commitment to the North Canterbury and Kaikoura regions. This commitment extends to the economic well-being of the community and includes a vision for energy self-sufficiency through energy efficiency and developing local renewable energy generation.
6. MainPower has been involved in the Hurunui Water Project since 2003 and is committed to the Project's goal of exploring and progressing a community-owned water management scheme incorporating water harvesting, storage and use for the betterment of the local community.
7. The community's interest in investigating water storage options and renewable energy options in the face of prolonged drought periods is of paramount importance to the region, particularly in light of the increasing threats related to climate change.
8. Demand for electricity in New Zealand has consistently been growing at a rate of 2% per annum over the last 20 years. For the last 5 years the demand growth has been close to 4% per annum for MainPower's region. There is currently no local generation in MainPower's region.
9. The planning framework, already underway with the Regional and Territorial Authorities provides a better avenue, through consultation and increased scientific understanding, for developing controls on water use and flow regimes.
10. MainPower is of the strong opinion that a Water Conservation Order is not the correct process for determining the most equitable outcome for all community participants. It is a single dimension approach which while being of interest to the applicants, will disenfranchise other parties with an equally legitimate interest in the waters of the Hurunui River.
11. A community water storage and management scheme on the upper catchment of the Hurunui has widespread community support.

OVERVIEW OF MAINPOWER AND ITS OPERATIONS

12. MainPower's Vision is to be the **Leading Regional Energy Company in New Zealand**. MainPower's commitment to its established core Lines business and its commitment to establish its emerging core generation business are both viewed as being essential prerequisites to achieving this status.
13. MainPower owns and operates the electricity distribution network throughout the North Canterbury and Kaikoura regions and makes this network available to electricity retailers for the supply of electricity to approximately 32,500 connected customers. This activity represents MainPower's established core business.
14. MainPower's strategic objective, to achieve at least 75% self-sufficiency in energy supply in the region by developing local renewable generation, represents its emerging core generation business.
15. MainPower has a long association with the North Canterbury and Kaikoura regions. The proclamation gazetting the North Canterbury Electric Power District was issued on 26 February 1927 and MainPower's predecessor, the North Canterbury Electric Power Board, constituted under the Electricity Power Boards Act 1925, commenced operations as an electricity supply authority on 1 July 1928. In other words, we have been operating in the region for 80 years.
16. The requirements of the Energy Companies Act 1992 resulted in MainPower being corporatised during early 1993 as part of Government's reform of the electricity sector.
17. The Electricity Industry Reform Act 1998 resulted in further reform. Energy companies established under the 1992 Act were no longer able to be involved in the monopoly lines business while at the same time being involved in the generation and retailing of electricity, and therefore it was necessary for MainPower to divest one or the other. MainPower retained its lines business and sold its energy business, which at that time involved the retailing of electricity.
18. Prior to the Electricity Industry Reform Act 1998, MainPower had completed a number of investigations relating to the possible development of generation in the region. Since the recent changes in the EIRA, brought about in part, to encourage Lines Companies to investigate local generation, MainPower has recommenced generation investigations.

19. MainPower's region is one of the fastest growing in New Zealand. It is estimated that generators, via TransPower's transmission network and electricity retailers, will inject approximately 520 Gigawatthours (GWh's) into MainPower's network during the current year for use by customers. Growth during the past decade, in terms of GWh's injected into MainPower's network, has been approximately 60% and represents more than double the New Zealand average growth curve.
20. MainPower is also one of the largest employers in the region. Approximately 60% of MainPower's total work force of 250 employees, reside and support MainPower's operation in the region. MainPower also contributes to the success of the local economy through local purchases and use of local service providers. This is in addition to the economic benefits provided through wages and salaries.

MAINPOWER'S OWNERSHIP, IT'S INVOLVEMENT IN AND IT'S CONTRIBUTION TO THE LOCAL COMMUNITY AND ECONOMY

21. 100% of MainPower's Issued Ordinary Share Capital is held by the MainPower Trust, and together with other Trust assets, are held by the Trust on behalf of the North Canterbury and Kaikoura communities and Qualifying Customers.
22. Qualifying Customers' beneficial interest represents 80% of the Trust Fund held by the MainPower Trust. The remaining 20% will in the event of a distribution of Trust Capital, vest in the MainPower Foundation, a charitable trust to be established for energy-related charitable purposes and other general charitable purposes.
23. 100% of MainPower's Issued Redeemable Preference Share Capital not held by the MainPower Trust is held by Qualifying Customers. MainPower's line service customers who hold a Redeemable Preference Share in the Company are Qualifying Customers under the terms of the MainPower Trust Deed. Redeemable Preference Shares held by Qualifying Customers provide these customers with the right to receive all shareholder distributions made by the Company. The MainPower Trust, as the only Ordinary Shareholder, is required under the terms of the MainPower Trust Deed to waive its rights to such distributions. Distributions to Qualifying Customers take the form of Rebates credited to Qualifying Customer power accounts on a monthly basis.
24. More than 90% of MainPower's customers hold a Redeemable Preference Share and are therefore entitled to participate in MainPower's Rebate Scheme.

25. Approximately \$34.6 million has been credited to Qualifying Customers in the form of Rebates during the past five years. It is expected that a further \$43 million will be rebated during the next five years. All of MainPower's surplus revenue, that is not required to be retained in the business for operating or capital development purposes, is returned to Qualifying Customers as Rebates consistent with the Board's policy that line service charges should be maintained at the lowest possible level.
26. MainPower is committed to the economic wellbeing and prosperity of the region and is strongly of the view that its pricing policy supports this. MainPower is also of the view that its support of local renewable generation will also have a positive impact on the region's economic wellbeing and prosperity.
27. MainPower is recognised as a leader in its community and is highly respected both locally and nationally for its commitment to energy efficiency and conservation, and energy-related education. This commitment has recently been recognised formally by the Energy Efficiency and Conservation Authority when awarding MainPower as one of the top five companies supporting the Authority's EnergyWise Programme for insulating homes.
28. MainPower's interest in developing local renewable generation is consistent with its strategy to move towards energy self sufficiency and its desire to promote responsibility in terms of energy efficiency and conservation throughout the region.

MAINPOWER'S INVOLVEMENT IN THE HURUNUI WATER PROJECT (HWP)

29. MainPower's involvement in the Hurunui Water Project (HWP) is consistent with achieving its regional leadership and economic prosperity strategic goals.
30. The HWP comprises four founding shareholders; the Hurunui Irrigation and Power Trust (representing some 200 farmers in the Hurunui and Waipara districts), David Teece the owner of Eskhead Station, Ngai Tahu Property Ltd and MainPower.
31. MainPower has been a member of this group, contributing both financially and with in-kind contributions since the formation of the Hurunui Working Group in August 2003.
32. MainPower remains committed to HWP's goals of exploring and progressing a water management scheme incorporating water harvesting, storage and use that

will enable the people and communities of the Hurunui district to provide for their social and economic wellbeing.

33. MainPower has two overarching goals in its involvement in the HWP:

- First and foremost to see a water management regime adopted for the Hurunui River that not only protects environmental values but also incorporates an irrigation storage scheme developed for the betterment of the local and wider communities
- Secondly to investigate and participate in the development of additional renewable electricity generation in conjunction with the irrigation project

34. In August 2006 an *ex-post* study¹ of the Opuha Project was completed that investigated the impacts of this water storage scheme on the farms and community it serves. MainPower believes that the Opuha project provides a useful indicator as to the economic value irrigation schemes of this scale can create for local communities. While the report should be read in its entirety to get a complete picture, some findings of relevance are:

- Total farm Revenue was 2.4 times higher for the irrigated farms compared with the dry land farms
- Cash farm Surplus as a proportion of Total Revenue was similar for the two farm types (dry land versus irrigated) but the dollar value of the surplus on the irrigated farms was substantially higher
- While 34%-39% of farm direct spending occurred in Timaru, a significant proportion (55%) occurred in small centres and rural areas and the flow on economic impacts “*may be concentrated in these areas*”. “*These changes are likely to result in more vibrant and sustainable rural communities*”.

35. Two other large irrigation schemes in MainPower’s region have been developed in recent years; the Amuri Irrigation Scheme and the Waimakariri Irrigation Scheme. Both of these schemes have resulted in increased economic activity within the local economies. In the case of the Waimakariri Irrigation Scheme, the

¹ The Opuha Dam: An Ex Post Study of its impacts on the local Economy and Community; S Harris, G Butcher and W Smith, August 2006

Waimakariri District Council recently undertook an independent review² of the Scheme assessing the environmental, economic and social impacts of the Scheme. While the full report should be read to understand its findings, the overall conclusions were very favourable.

HYDRO POTENTIAL OF HWP

36. MainPower is investigating a number of renewable generation opportunities within its region. To date MainPower's investigations have focused on mini-hydro and wind generation with one site at Mount Cass having been identified as a suitable wind farm site to the stage that Resource Consents have been applied for and hearings held. This single project, if consented has the potential to supply up to 40% of the regional energy needs.
37. While MainPower's recent involvement in the HWP has focused on realising the irrigation potential of the project and its subsequent regional economic benefits, MainPower has always remained mindful that renewable generation could also be a useful complement to the project.
38. Initial studies indicated that any hydro generation related to an irrigation project would be economically marginal and hence technical studies have not evolved to a detailed design stage (or even to feasibility level).
39. However, pre-feasibility studies indicate the hydro potential related to an irrigation storage reservoir on the South Branch of the Hurunui River using average flow duration curves could generate:
 - Option 1 Power Station at Dam site (75m static head assumed): 12 MW & 45 GWh
 - Option 2 Penstock downstream (approx 8km) (160m static head assumed): 24 MW & 75 GWh
40. Additionally, more hydro potential at the Off-take site in the approximate area of the existing Amuri intake is also available. There has been even less technical evaluation work completed at this site but early indications are that the hydro generation potential here is in the order of: 4 MW & 22 GWh

² Waimakariri Irrigation Scheme, Monitoring report on the impacts on the district of the introduction of irrigation on the upper Waimakariri-Ashley Plain, 2008, WDC

41. Even using the lesser figure above (Option 1 + Off-take), shows there is potentially **16 MW** and **67 GWh** of local renewable generation available from the upper Hurunui catchment. This generation could meet approximately **13%** of the annual electricity demand of the entire MainPower region and approximately **20%** of peak power demand. All for a region which currently has no electrical generation.

DO WE NEED MORE GENERATION?

42. New Zealand’s demand for electricity has grown at a consistent rate over the past 20 year’s (ref Figure 1). Electricity consumption has increased from approximately 27,700 GWh in 1985 to 42,500 GWh in 2007, which represents an average growth rate of approximately 2% per annum. This is attributable to a combination of economic growth as measured in Gross Domestic Product (GDP) and also a growth in population.

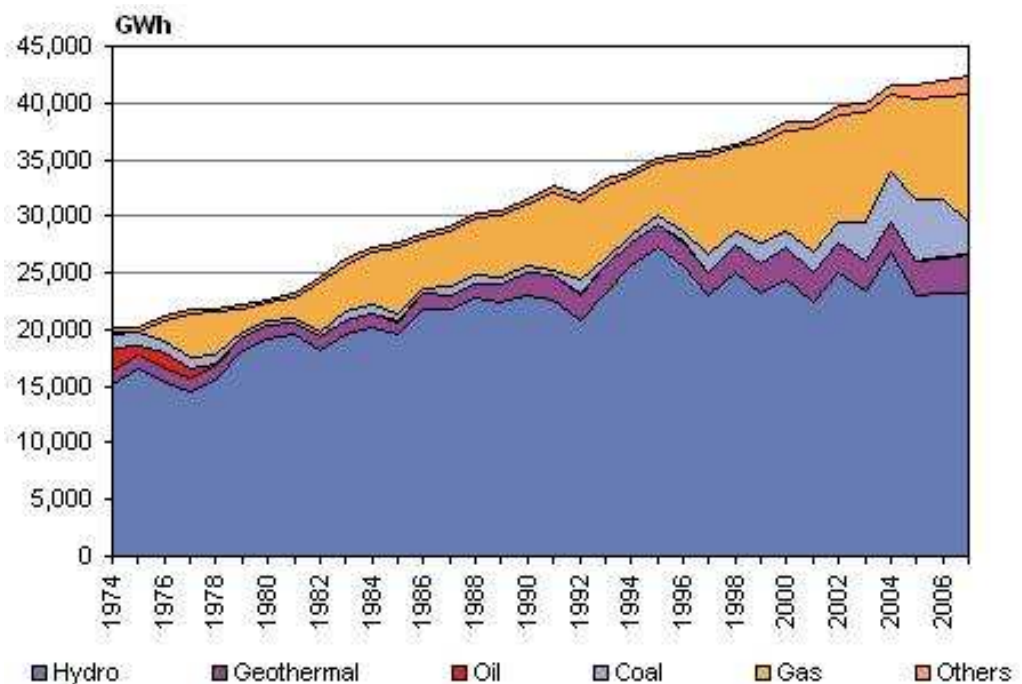


Figure 1: New Zealand electricity demand 1974 - 2007

43. As of 2007, New Zealand had around 6,100 MW of renewable generation capacity and 2,800 MW of fossil fuel generation.

44. The New Zealand Energy Strategy (NZES) sets a target of 90% renewable electricity by 2025. The NZES is complemented by the New Zealand Energy

Efficiency and Conservation Strategy (NZECS) which sets ambitious targets for demand reduction over the same period.

45. The NZES forecasts electricity demand to grow by 1.3% per annum which equates to 25-30% growth by 2025³. This projected growth is significantly lower than recent historic levels of growth (around 2% per annum) and some commentators along with the new Minister of Energy have expressed concern about security of supply unless adequate amounts of new generation is constructed.

46. Taking account of growth in overall demand, introduction of energy efficiency measures and generation load factors, means that approximately 3,000-3,500 MW of new generation capacity will need to be built by 2025. In other words, New Zealand needs around **150-175 MW** of new generation capacity each year.

THE CASE FOR LOCAL GENERATION

47. MainPower is aware of the significant transfer of wealth out of the region because of the absence of local generation. Wealth representing the cost associated with energy supply, and totalling approximately \$1 million per week or more than \$50 million per annum is transferred out the region. This represents a significant cost to the region, and clearly impacts on the region's prosperity.

As explained earlier, a significant portion of this wealth would remain in the region under MainPower's ownership structure.

48. The desire to retain this wealth within the region in the interests of the region's economic wellbeing and prosperity, while at the same time contributing to the solution to the wider energy supply situation through the development of local renewable generation, underpins MainPower's Generation Strategy.

49. Within MainPower's region, the population and economic growth has exceeded the national average and the population (in Kaikoura, Hurunui and Waimakariri districts) is forecast to grow from 56,934, by 42%, to 80,690 by 2031⁴.

³ New Zealand Energy Strategy 2007

⁴www.dol.govt.nz/publications/lmr/regional/indepth/canterbury/aidr-canterbury-08_04.asp

50. Electricity demand growth in MainPower’s region has averaged approximately 4% pa for the last 5 years (ref Figure 2) and is forecast to continue to grow at around twice the national average - from 520 GWh at present - to 770 GWh by 2018.

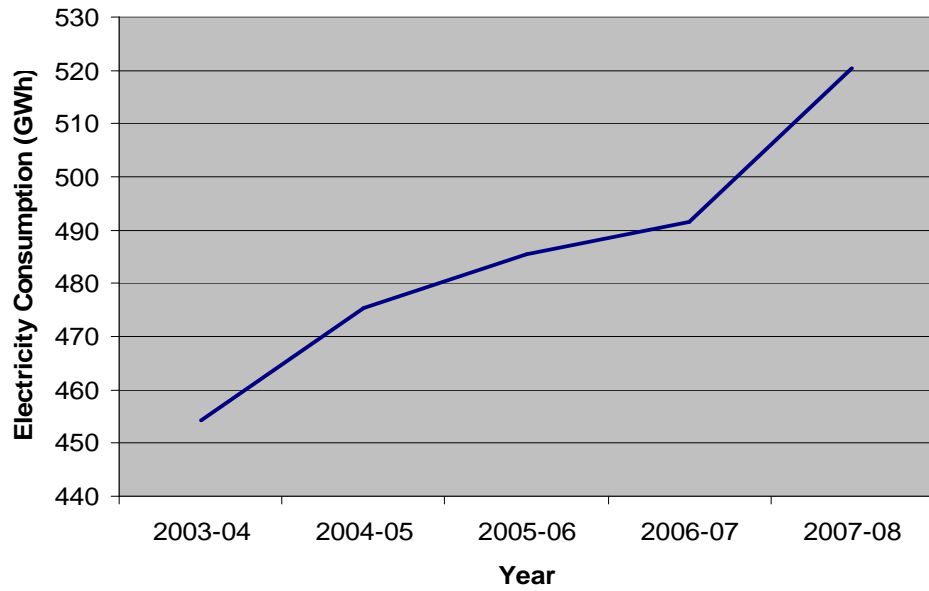


Figure 2: Electricity demand growth in MainPower area of supply over past 5 years

51. This high regional growth is driven by the encroachment of Christchurch's urban growth into the surrounding districts; irrigation and subsequent intensification of land use, and; increasing tourism activities in places like Hanmer, Kaikoura and Waipara. 'Clean Air' initiatives by Environment Canterbury and 'energy switching' from more expensive fossil fuels will also contribute to an increase in local electricity demand.
52. Environment Canterbury has sponsored the Canterbury Regional Energy Strategy Project⁵. Their Stage 1 report (April 2007) highlights the dependence of the Northern South Island on transmission links from the Waitaki Hydro schemes and an increasing reliance on thermal generation from the North Island.
53. The impacts of this lack of local generation include; reduced security of supply and a high cost in transmission losses. Across New Zealand an average of 7.7% of electricity generated is lost during transmission and distribution⁶ as a result of generation located remotely from the electricity consumer, this figure is higher during times of peak demand. Proposed solutions include developing more local generation incorporating diversity in both geographic location and energy source.
54. MainPower believes regional energy security is a subject too important to be dismissed by the application of a water conservation order without the participants being given an adequate chance to assess the renewable generation potential.

THE IMPORTANCE OF RENEWABLE ENERGY

FLIGHT FROM FOSSIL FUELS

55. Recently the major New Zealand generators have moved away from investment in new fossil-fuel plants to renewable's (including wind) in response to the relative future economics of renewable energy. For example, Meridian Energy announced in 2004 a commitment to generate energy solely from renewable sources in the future. A leading driver of this change is the expectation of a price being placed on carbon emissions from thermal generation plants.

⁵ Canterbury Regional Energy Strategy Project – Stage 1

⁶ Energy Data File 2008; Ministry of Economic Development

56. Cheap Maui gas has underpinned low energy prices in New Zealand since the 1970's. However, this resource is now in sharp decline and oil and gas prices have risen steeply in the last few years and are currently very high by historical trends. This rise is in part due to the recognition of 'peak oil', the realization that extractable oil reserves are not being replaced by new discoveries, whilst world oil demand continues to rise. The International Energy Agency expects global demand for oil to grow by 37% by 2030⁷. New Zealand is particularly exposed since the bulk of its oil consumption is imported at a cost of NZ\$ 4.4 billion per annum⁸ severely affecting the country's balance of payments.
57. The combined concerns of price, climate change and energy security have resulted in many countries establishing ambitious targets and policy frameworks to encourage an increasing percentage of energy coming from indigenous renewable resources rather than from fossil fuels.

EMISSIONS REDUCTIONS

58. By signing the Kyoto Protocol in December 2002, New Zealand committed to reduce its annual average greenhouse gas (GHG) emissions to 1990 levels in the first commitment period between 2008 and 2012. The Ministry for the Environment reported that New Zealand's total GHG emissions in 2006 were 33% higher than the 1990 level⁹.
59. To encourage a reduction in emissions, in 2008 the Government of the day introduced an Emissions Trading Scheme (ETS) across the economy that means eventually "*all major sectors of the economy will be exposed at the margin to the international price of emissions*¹⁰". The stationary energy sector (i.e., electricity generation) is scheduled to be brought into the scheme on 1 January 2010.
60. The recent change in Government has meant the ETS is now under review. However, it is expected that some form of mechanism will be introduced to

⁷ www.worldenergyoutlook.org/2007.asp

⁸ New Zealand Energy Strategy 2007

⁹ www.med.govt.nz/upload/63349/GHG%20Report.pdf

¹⁰ www.mfe.govt.nz/publications/climate/framework-emissions-trading-summary-sep07

ensure a market price is placed on carbon emissions to align the general economy with New Zealand's obligations under the Kyoto Protocol.

61. With the introduction of a carbon price, renewable generation will become economically more attractive because fossil fuelled generators will have to pay for any carbon emitted. This will make uneconomic renewable generation opportunities increasingly viable.

CLIMATE CHANGE - A NEED FOR URGENCY

62. Global climate change is happening. The recently released Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report found that *“warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice and rising global average sea level¹¹”*.

63. Recently the Chair of the IPCC, Rajendra Pachauri said *“climate change was moving faster and more destructively than once thought and only seven years remained for decisive action. To limit global temperature increases at century's end to no more than 2.0 to 2.4 degrees Celsius emissions have to peak no later than 2015¹²”*

64. The United Nations Development Programme published the Human Development Report 2007/2008 in late 2007. This report applied the findings of the IPCC Fourth Assessment Report on climate change, assessed the implications on human development and proposed a range of mitigation and adaptation strategies. The headline finding was that the world has less than a decade to start the transition to low-carbon energy systems and the report calls for the developed nations to act swiftly to make deep cuts in emissions and then provide support to the developing nations to allow further development without fossil fuel dependence.

65. The human development report also predicts:

“The world is heading towards unprecedented losses of biodiversity and the

¹¹ www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr_spm.pdf

¹²

[//www.terraily.com/reports/Serious_omission_in_G8_summit_climate_pledge_IPC_C_chief_999.html](http://www.terraily.com/reports/Serious_omission_in_G8_summit_climate_pledge_IPC_C_chief_999.html)

collapse of ecological systems during the 21st Century. At temperature increases in excess of 2°C, rates of extinction will start to increase¹³

66. More recently, the Australian Garnaut review (June 2008) observed that emissions scenarios used for the IPCC Assessment Report do not adequately consider the recent acceleration in emissions growth from developing countries and thus may overestimate the time available in which to take action. Garnaut comments:

“Mitigation effort is increasing around the world, but too slowly to avoid high risks of dangerous climate change. The recent and projected growth in emissions means that effective mitigation by all major economies will need to be stronger and earlier than previously considered necessary¹⁴”

67. At a local level, Environment Canterbury (ECan) has produced an assessment of the projected effects of climate change on Canterbury as a whole, with specific commentary on individual districts. For the Hurunui District, ECan officers had this to say:

- *North Canterbury.... irrigators will be affected ... less days available to irrigate, less water overall, more demand for winter storage.*
- *Drought events could in the 2080s occur in places like Culverden twice every five years under an extreme scenario.....*
- *The severity of these droughts when they occur will significantly increase, requiring significant farming adaptation.*
- *Increasing pressure for water and water augmentation/storage schemes through higher temperatures, less rainfall and greater evapo-transpiration.*
- *Winter water storage schemes may be necessary to provide enough water for the drier springs and summers, for irrigation and for householders.*

68. The drought conditions in the Hurunui in the last few months have demonstrated yet again the vulnerability of the dryland farming communities and the District as a whole to the vagaries of the weather. Anyone who has driven through or flown over the Hurunui District cannot have failed to observe the contrast between irrigated and non-irrigated farmland. The continuity of production and the increased productive capacity in these two land uses is entirely attributable to the availability of water, and at this time of the year, it is stored water that will mitigate the effects of climate change, and dryland conditions.

¹³ www.hdr.undp.org/en/reports/global/hdr2007-2008/

¹⁴ www.garnautreview.org.au

69. Failure to adequately provide for the reasonable water storage requirements of the community for the sustainable use of the water resources of the District, on ECan officer's own projections, effectively commits the Hurunui dryland farming community to a very bleak future.

REGULATORY MAZE ON THE HURUNUI RIVER

70. MainPower's approach with any project is to meet the needs of the community and to consult widely. In the case specific to the HWP, the overall benefits to the community by any development of a small part of the catchment would in any case only be sanctioned where the proposal meets all of the requirements of the RMA. MainPower envisages that enhancement of the overall resource will be a likely outcome and welcomes the debate and technical evaluation of the scheme a consent process will foster. However, the application for a conservation order will prevent consideration of such outcomes.
71. MainPower believes that adaptive solutions which allow water harvesting in the upper catchment to augment river flows will not detrimentally affect the overall catchment wide values attributable to the Hurunui. The HWP has been and is currently undertaking studies on the available options. It is believed the HWP has completed more scientific investigations of the Hurunui River than any other single group including statutory authorities and Central Government departments. It is suggested that the application for Water Conservation status is premature until these investigations are completed and fully reported on to all community groups.
72. MainPower believes such an approach by the applicants is an attempt to cut off potential renewable energy opportunities and irrigation resources from all future scrutiny on the Hurunui – when in reality the applicant groups would have the opportunity to participate in any consenting or plan review process. The applicant groups have already shown themselves to have the resources to participate in these processes.
73. MainPower accepts that there are other planning regimes which have done and will continue to offer protection through the RMA process. A number of planning instruments are proposed or already in place to manage the Hurunui River. These planning instruments include:
- The Proposed Natural Resources Regional Plan ('the NRRP').
 - Variation 8 to the NRRP (which details a specific flow regime for the Hurunui River)
 - The Proposed National Policy Statement for Freshwater Management

- The Canterbury Strategic Water Study now called the ‘Canterbury Water Management Strategy’ (which will provide a regional strategy for water issues across Canterbury).
- The Hurunui District Council Long Term Community Plan (which incorporates a specific section on a comprehensive water management strategy for the Hurunui District)

74. MainPower has participated in these processes either in its own right or in conjunction with others. MainPower would welcome a consolidation of processes to improve efficiency of resources across all interested stakeholders.

75. MainPower is of the strong opinion that a Water Conservation Order is not the correct process for determining the most equitable outcome for all community participants. It is a single dimension approach which while being of interest to the applicants and their supporters, will disenfranchise other parties with an equally legitimate interest in the waters of the Hurunui River. Equally, the current maze of regulation processes competing for priority is diverting scarce resources from all participants from expanding the collective scientific understanding of the Hurunui River and surrounds into seemingly never-ending legal and planning gyrations.

CONCLUSIONS

76. MainPower considers that any blanket prohibition on development through the introduction of a Water Conservation Order prior to the completion of the relevant technical and scientific studies on development options is contrary to the overall community interests in the management of the Hurunui River
77. The community's interest in investigating water storage options and renewable energy options in the face of prolonged drought periods is of paramount importance to the region, particularly in light of the increasing threats related to climate change.
78. A community water storage and management scheme on the upper catchment of the Hurunui will bring considerable economic benefit to the local and regional economy.
79. Increasing demand for electricity and a lack of expansion of New Zealand's generation capacity have seen prices rise and growing concerns about shortages. Within MainPower's region, the demand for electricity is growing faster than the national average, but there is still no commercial electrical generation. Transmission constraints and demand growth in the Northern South Island make it one of the most exposed regions for electricity supply in the country.
80. International concern over climate change and sustainability in general, has led to the recent adoption of the NZES and the introduction of the ETS with a target for 90% renewable energy by 2025. The international trend of placing a price on carbon emissions and concern about energy security has raised the importance of developing renewable energy opportunities.
81. The planning framework, already underway with the Regional and Territorial Authorities provides a better avenue, through consultation and increased scientific understanding, for developing controls on use and flow regimes.
82. A community water storage and management scheme on the upper catchment of the Hurunui has widespread community support.

MainPower seek the following decision from the special tribunal:

83. That the application for a Water Conservation Order on the Hurunui be declined.

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