

**In the Environment Court
I Mua I Te Kōti Taiao O Aotearoa**

Under the Resource Management Act 1991

and in the matter of the direct referral of an application for resource consents by Meridian Energy Limited in respect of the proposed Mt Munro wind farm under section 87G of the Resource Management Act 1991 (**RMA**).

Meridian Energy Limited
Applicant

and

**Taranua District Council, Masterton District Council, Manawatū-Whanganui
Regional Council and Greater Wellington Regional Council (Councils)**
Consent Authorities

and

s 274 Parties

**Statement Rebuttal Evidence of Grant John Barnard Telfar on behalf of Meridian
Energy Limited**

6 September 2024

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INTRODUCTION

1. My full name is Grant John Barnard Telfar. I am an industry advisor in the Development team for Meridian Energy Limited (**Meridian**) based in Wellington.
2. I have the qualifications and experience set out in my statement of evidence in chief dated 24 May 2024 (**EIC**). Notwithstanding that I am an employee at Meridian, I repeat the confirmation given in that statement that I have read, and agree to comply with, the Code of Conduct for Expert Witnesses to the extent it applies to my evidence.
3. I have read the evidence of the s 274 parties and on behalf of the Councils, and I respond particularly in relation to the proposed conditions around reporting in relation to a greenhouse gas emission reduction framework, and the question of the appropriate lapse period for the project.

Greenhouse gas emissions

4. The evidence of Ms Deborah Ryan recommends a condition of consent (CC1) which would require Meridian to report to the Councils on a framework for the management and/or minimisation of greenhouse gas emissions from construction, operation and at end of life of the wind farm, and to include whole-of-life embodied carbon for the Project when undertaking the detailed design and procurement for the wind farm.
5. Subject to the inclusion of CC1, Ms Ryan considers that Meridian will have sufficiently identified how it intends to incorporate lifecycle GHG emission matters into the Project, and has no further concerns.
6. Condition CC1(b) would require Meridian to provide information on what it is already doing in relation to GHG emissions in its other projects. On the basis that CC1(b) requires the provision of this data for the purposes of information *only*, and that the Councils would not have a certification or review role in relation to these documents, Meridian is prepared to accept this as a condition of consent. The same can be said for CC1(a), which requires whole of life embodied carbon to be included in detailed design and procurement.

7. As acknowledged by Ms Ryan, Meridian already incorporates these considerations into its projects. However, there are necessarily trade-offs between GHG emissions reductions and other factors such as constructability, safety and cost. Where there is a condition which requires Meridian to take an embodied carbon approach, it is only acceptable on the basis that the consent holder retains absolute discretion in making these decisions, particularly where the project is to construct renewable energy and evidence confirms the project will be strongly net positive in terms of whole of life GHG emissions.
8. Ultimately, while Meridian would prefer that these matters are not included in conditions, and do not see that they will serve a useful, let alone reasonably necessary, purpose in terms of actual GHG emissions, Meridian is prepared to accept the proposed conditions, as they are presently worded.

Consent Lapse

9. Mr Nicholas Bowmar addressed the question of lapse in his evidence in chief, noting that Meridian seeks a 10 year period given the range of factors that can affect the lead time for developing a wind farm. Mr Bowmar noted that these include the demand for electricity, the price and availability of componentry, capacity constraints, and construction timing of other projects.¹ It was noted that in the Joint Witness Statement of Planning Experts (**Planning JWS**) that the Councils remain open to considering a lapse date that is longer than five years on assessing further evidence by Meridian.² Mr Bowmar provided further information supporting a 10 year lapse period for this project in a memorandum dated 16 August 2024, which is Attachment A to the

¹ Statement of Evidence of Nicholas Erskine Bowmar on behalf of Meridian Energy Limited dated 24 May 2024, at [107] to [108].

² Issue 6, Planning JWS

evidence of Ms Lauren Edwards.³ I agree with the reasoning set out in that memorandum.

10. Mr Damien McGahan has noted in evidence that:⁴

The recent information from the Applicant highlights several factors that influence the Applicant's request for a 10-year lapse. I agree that these can all be relevant matters, however there is no evidence around the timing implications, other than for the detailed design and tendering related processes (identified as 2.5 years). In my view, greater clarity is required around the interplay (or overlap) between the various factors from a timing perspective and any sensitivity analysis to better understand the likely start / delivery of the Project.

11. As Mr Bowmar noted in his memorandum on 16th August, "*Once a resource consent is obtained for a project, detailed design has to be undertaken, tenders run, contracts drafted, procurement and service timelines confirmed, and a final investment decision (FID) made. This process itself could take 2.5 years.*"
12. For further context, the FID to invest hundreds of millions of dollars in projects like Mt Munro, will require Meridian's Board to consider a wide range of factors, and to make well-informed decisions based on the

³ And also in Section E of the Common Bundle.

⁴ Statement of Evidence of Damien McGahan at [88]. We note that similar statements were made in the evidence of Mr Lauren Edwards and Ms Alisha Vivian.

information *available at that* time. In an ideal world, and once detailed design is complete, a Board decision would be a positive one, and Meridian would know beyond reasonable doubt that we could give effect to the consent within the 5 years (or more accurately, the time remaining). To be clear, Meridian has every intention *today* of moving with haste to give effect to the Mt Munro consent, should it be granted. Unfortunately, there are certain factors that could either:

(a) Delay *when* a decision could be made;

(b) Provide enough uncertainty that a decision itself would be delayed or revisited after a delay; or

(c) Provide constraints that would enable a positive decision, but for a delayed construction start.

13. Mr Bowmar noted several factors that are outside of Meridian's control, that could affect the timing of the Board decision, and risk pushing the timeframe beyond the 5 year period which is the default that applies to all projects consented under the standard RMA process. To better illustrate the magnitude of the risk and the potential length of delays that Meridian is concerned about, it is worth considering a factor that links many of these uncertainties, and that is scale.

Demand driven activity

14. There is significant evidence that suggests New Zealand is anticipating a massive increase in demand for electricity over the coming years. As Dr Purdie notes in her evidence at paragraph 45 and 26, there is a modelled increase in electrical demand of 68% by 2050 (and increase of 30 TWh to 70 TWh). To meet this demand increase, Meridian currently has a pipeline of 12 TWh in various stages of development but is not alone in its development efforts. According to the Electricity Authority, as at September 2024, nationwide there are 1,500MW of committed projects either currently being built or being finalised after

grant of consent, with another 18,500MW being actively pursued.⁵ To put this into perspective, 1,500 MW has been built since 2020. This pipeline of investment is shown graphically in **Appendix A** to this evidence.

15. If favourable conditions for new investment persist 1,500MW or more could be confirmed for construction over the next few years. Developers of all these projects will be competing for finite resources when it comes to construction of their projects. The finite resources could be local (for example work forces, local materials such as aggregate, contractors), national (for example Transpower resources, internal company resources) or international (for example wind turbine components and substation transformers). Each project is generally limited and delayed by its scarcest resource, so a high volume of competing projects will inevitably cause delays to some.

Transpower Queue.

16. At Paragraph 88 of his evidence, Mr McGahan states that *“it would be useful to understand where this Project sits on Transpower’s Connection Management Framework, given grid connection has been highlighted as a key matter”*.
17. Transpower is just one of the finite resources that developers are currently competing for. To address this issue, Transpower has introduced a queue system that manages and prioritises the early design work during the *development phase*. Meridian is well positioned in this queue, but this doesn’t guarantee availability of Transpower’s resources for the *construction phase*. Ultimately, the timing of construction of a grid connection will be tied to Transpower’s future resourcing availability and that is largely unknown. For clarity, and looking at just Transpower, prior to 2020, Transpower managed only a handful of new connections each year. Currently in their development

⁵ ()

queue, they have 402 inquiries totalling 46,000MW of new connections.⁶

18. Other finite resources have seen similar dramatic and unprecedented increases on demand. As illustrated above, any restriction or combination of restrictions could risk pushing the project beyond the 5-year lapse date, noting that a Board would not make a Final Investment Decision (FID) if there was any concern about whether the lapse deadline could be met, or that an extension to it could be obtained.

Other Factors.

19. Similarly, there are other macroeconomic and political factors well beyond Meridian's control that suggest a 10-year lapse date would be appropriate. By the time FID is reached post granting of any consent, exchange rates, cost of debt and equity, electricity market reform, and systemic shocks to the system (e.g. industrial closures, or another significant global economic downturn), supply chain constraints/delays (turbines & equipment) all have the potential to complicate and delay the optimal time to proceed with any new generation project.
20. Taking timing, sequencing, resourcing and market and the impact of uncertainty on a FID into account, Meridian considers a 10-year lapse date is appropriate and indeed necessary for this project. Meridian understands that a ten year lapse date is relatively standard for a wind farm of this scale.
21. It is important to note that a five year lapse date will not dictate (or hasten) a financial investment decision, but uncertainty about whether or not the consent will lapse could negatively impact what would otherwise be a positive decision.

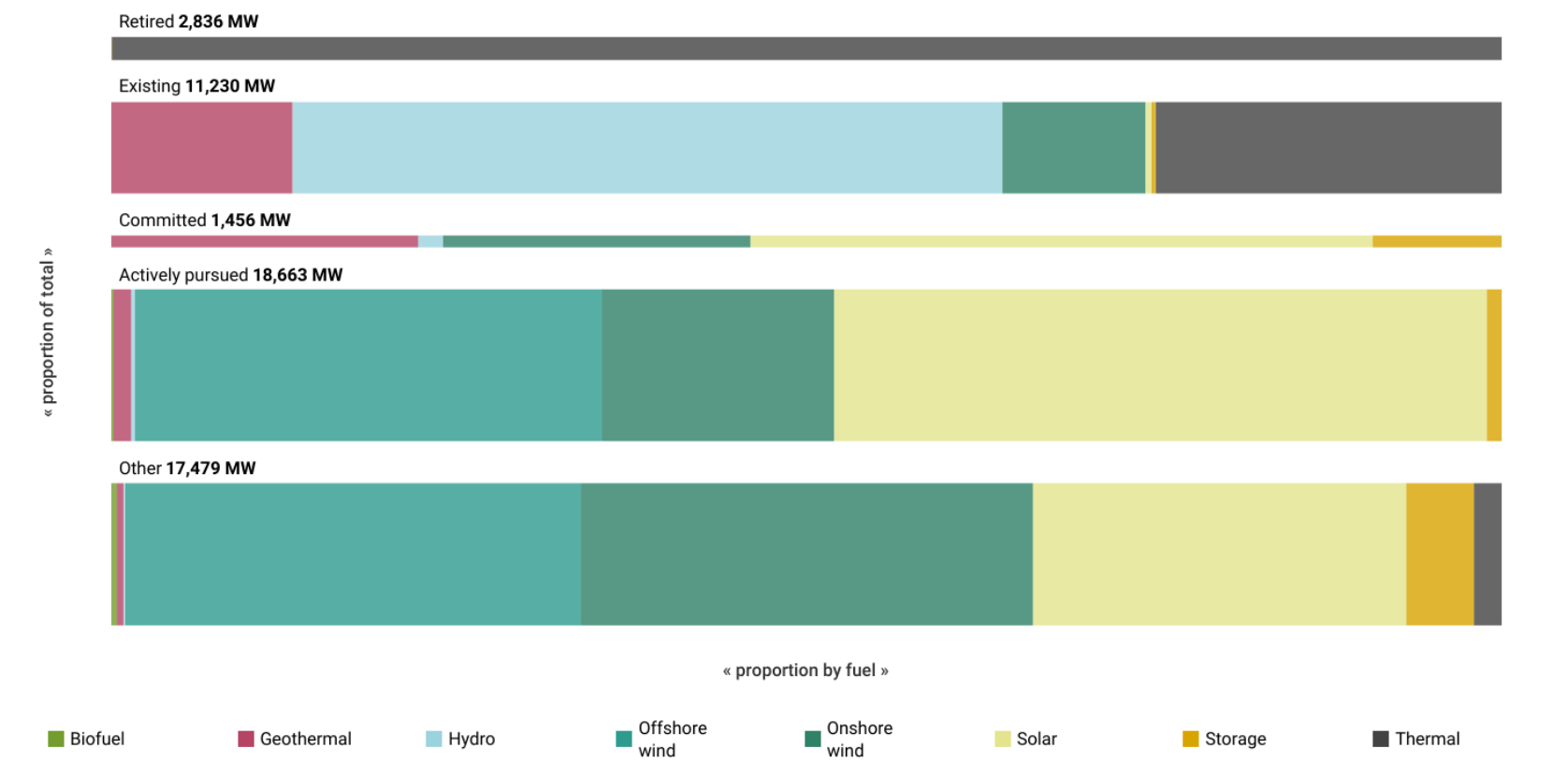
⁶ <https://www.transpower.co.nz/connect-grid/connection-enquiry-information>

22. We also do not consider it is the best use of Meridian's resources, or a fair imposition on the community, if Meridian has to re-consent the project in between five and 10 years' time as a result of a delayed investment decision. We are aware that the current exercise of seeking consent has caused stress and anxiety to some members of the local community. The excellent wind resource at this site is not going anywhere and will at some point in time be utilised. Expecting the community to come back and re-litigate this site in the relatively near future is in no-one's best interest.

Grant Telfar

6 September 2024

Appendix A: Investment Pipeline: A summary of generation and responses to the 2023 investment survey



About the data: Investment pipeline data was collected in 2022 and 2023 by Concept Consulting for the Electricity Authority. This is combined with the Electricity Authority's data on historic generation fleet.



Available at <https://public.tableau.com/app/profile/electricity.authority/viz/Investmentpipeline/Investmentpipeline>