

“The Castle Hill Wind Farm project”

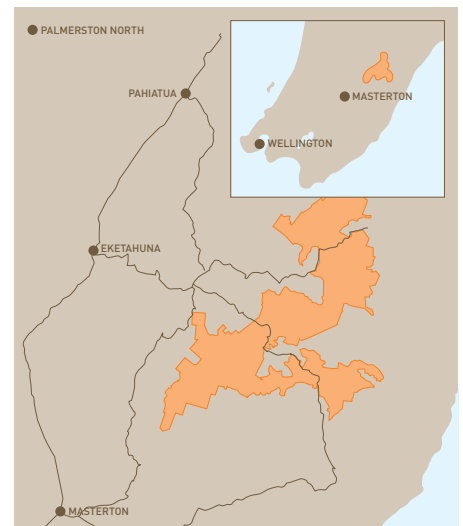
“An exciting new project –
harnessing renewable
energy sources.”

Genesis Energy is proposing to build a wind farm on a site approximately 20 kilometres east of Eketahuna and Pahiatua, and 20 kilometres north east of Masterton. The project will help meet anticipated growth in demand for more electricity in the North Island.

This first newsletter on the proposed Castle Hill Wind Farm provides an introduction to Genesis Energy and an overview of the project. In the months to come, Genesis Energy will be undertaking numerous assessments to determine the effects of the proposed wind farm. Further newsletters will be produced as decisions are made on key aspects of the project to keep you informed on our activities and progress. Public Open Days will also be held to provide more details about the project and to seek feedback about the proposal. Contact details for the project are on the back of this newsletter.

Who is Genesis Energy?

Genesis Energy is a generator and retailer of electricity. It is one of New Zealand’s largest energy retailers, providing electricity and gas for residential, commercial and industrial customers throughout the country. Genesis Energy operates the thermal (coal and gas) power station at Huntly, two hydro electric schemes (Tongariro Power Scheme and Waikaremoana Power Scheme) and the Hau Nui Wind Farm located south of Martinborough, comprising a total generating capacity of approximately 2000MW. Genesis Energy is a State Owned Enterprise, owned by the Crown on behalf of the people of New Zealand.



Castle Hill Wind Farm location

Why wind farms?

Wind energy is one of the world’s fastest growing energy sources with global generating capacity increasing on average by 27% annually over the last five years. It is an established technology which has the potential to supply up to 12% of the world’s electricity by 2020 (Source: Global Wind Energy Council).

New Zealand’s wind resource is one of the best in the world. Wind farms can play a key role in meeting our future energy needs by diversifying our sources of energy generation.

Genesis Energy is committed to developing renewable energy in New Zealand. We strive to make a positive impact on the environment and to contribute to New Zealand’s long-term energy supply and international and national climate change obligations.

The Castle Hill Wind Farm will play an important role in Genesis Energy’s diverse portfolio of power stations and, if built, will help the company meet its target of developing more renewable electricity generation.

Castle Hill area is well suited to wind development.



Consultation with the community

Genesis Energy considers its relationships with the communities in which it operates extremely important. It stands in front of a long history of genuine consultation, deep community relationships and acknowledgement of local communities' interests in new projects.

Our general approach to gaining resource consent for a new electricity generation project is to lodge a resource consent application that reflects our comprehensive consultation with all stakeholders. We acknowledge that at the beginning of a project we do not have all the answers to stakeholder questions. However, our early consultation ensures we understand what issues are important to stakeholders and helps ensure that in time we can provide all the information required. We also endeavour to take account of stakeholder issues or ideas in the technical design of a project.

Genesis Energy will be providing many opportunities for consultation including individual meetings, open days, newsletters, a dedicated phone number and web-based information. We value the input of our stakeholders in the consultation process and our approach is to ensure all stakeholders have ready access to information about the project and our development process as and when details become available.

Identifying the Castle Hill Wind Farm site

In recent years, Genesis Energy has used both traditional methods and advanced modelling techniques to identify potential wind farm sites around New Zealand. This work revealed a large area to the east of Pahiatua and Eketahuna as suitable for further investigation.

Relevant landowners were contacted and land use agreements were secured for the project in March 2009 and the area was identified as the Castle Hill Wind Farm site.

What work has been done to date?

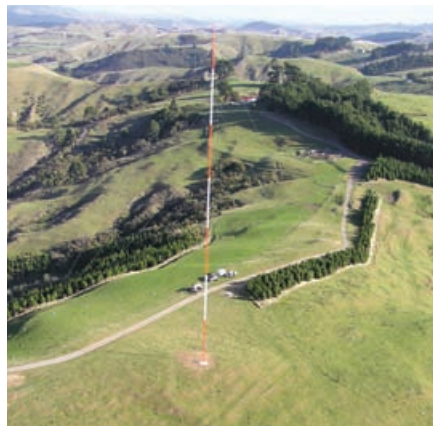
Wind monitoring masts were erected during 2009 at six locations around the site to measure wind speed and other meteorological conditions. Preliminary engineering and environmental assessments have also been undertaken over the last 12 months. Assessments completed to date indicate that the site has a very good wind resource and is well suited to wind farm development.

Castle Hill Wind Farm size and layout

The Castle Hill Wind Farm is a large project that incorporates a broad mix of hill tops, gullies, farmland, forests and roads. At this stage, final numbers of turbines and turbine size has not been finalised. However, Genesis Energy has identified the potential to develop up to 290 turbine sites.

Our current studies show that the wind farm could generate in the order of 600MW of capacity, yielding an annual energy production greater than 2000GWh. This would generate enough energy to power a significant number of homes.

“A 100MW wind farm can generate enough energy for approximately 39,000 homes.”



Wind monitoring mast off Castle Hill Road.



Genesis Energy's existing Hau Nui wind farm.

What's next?

Genesis Energy is commencing detailed environmental and engineering assessments which will lead to lodging a resource consent application for the project.

Assessments over the next few months that will determine the optimal turbine numbers and layout designs at the site include:

- Environmental effects assessments
- Consultation with all stakeholders
- Feasibility of construction
- Wind resource and energy yield across the site
- Project costs
- Availability of turbines

Genesis Energy will lodge a resource consent application for the project once all assessments are completed, compiled and consultation is well advanced.

The Castle Hill Wind Farm is a very exciting project for Genesis Energy and New Zealand. We look forward to working with our stakeholders and the community on this project and welcome your feedback and input into the project.

} “Talk to us about the project...”

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