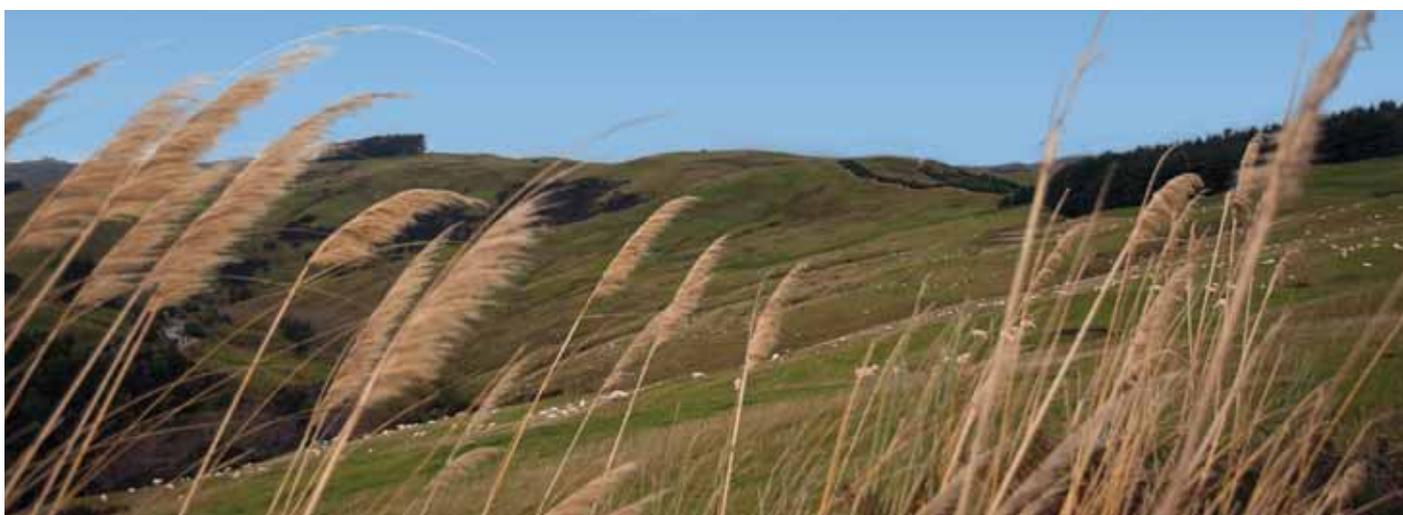




CASTLE HILL WIND FARM NEWSLETTER 6

Welcome to the sixth Genesis Energy Castle Hill Wind Farm newsletter in which we outline the key changes to the resource consent conditions agreed by the Environment Court.



THE CASTLE HILL WIND FARM PROJECT

Genesis Energy is proposing to establish and operate the Castle Hill Wind Farm in northern Wairarapa. The proposed Castle Hill Wind Farm involves up to 286 wind turbines with a potential nominal capacity of up to 860MW of renewable electricity generation.



Resource consent applications for the Castle Hill Wind Farm

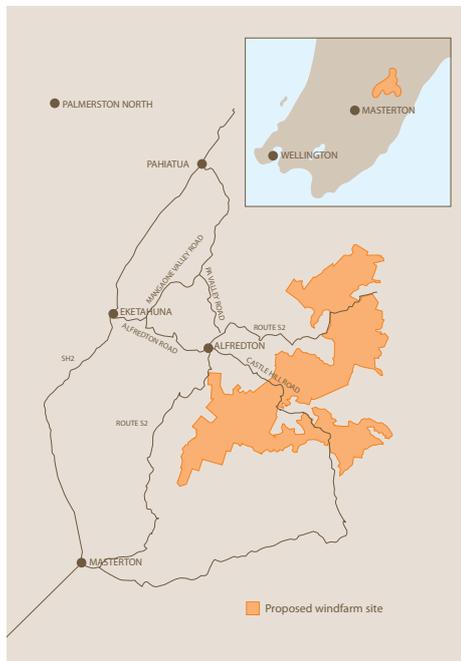
In 2011, Genesis Energy lodged resource consent applications for the Castle Hill Wind Farm ("CHWF") with Tararua and Masterton Districts' and Horizons and Greater Wellington Regional Council's as required under the Resource Management Act 1991. Following submissions being received in September 2011, twelve days of hearings were held during November 2011 and January 2012. The application was heard by three independently appointed commissioners representing the four Councils'. Following the release of their preliminary decision in April 2012, the Commissioners closed the hearing in mid May 2012.

Environment Court process

The final resource consent decision was released by the Commissioners in mid-June 2012. That decision granted all resource consents sought by Genesis Energy for the CHWF, subject to certain exceptions and conditions. Genesis Energy, Castle Hill Wind Farm Community Action Group ("CHWFCAG"), and jointly Alfredton Education Trust ("AET") and Board of Trustees of Alfredton School ("BOTAS") appealed the Commissioners decision to the Environment Court. Several submitters joined the process and became a party to the proceedings.

During the period July 2012 to May 2013 all the parties worked collaboratively together to understand their respective issues with the Commissioners decision and developed solutions to those issues. In early November 2012 Environment Court assisted mediation was held in Masterton, with the majority of parties attending. This again refined the issues and provided the parties with clear parameters for on-going discussions.

“We’d like to thank everyone that has worked with us in reaching this outcome.”



Key facts

286

maximum number of turbines

maximum renewable energy output

860 MW

370K

homes powered

Agreement between Alfredton Education Trust (“AET”), Board of Trustees of Alfredton School (“BOTAS”) and Genesis Energy

The outcome of these discussions resulted in an agreement being reached between AET, BOTAS and Genesis Energy. The agreement recognises the importance of maintaining the integrity of Alfredton School during construction and so outlines steps that will be taken to minimise the potential disturbance to school learning environment and bus service. Amongst other things this includes developing a traffic safety master plan and maintaining the safe and efficient operation of the AET school bus service. It is noted the revised resource consent conditions in relation to school bus services and safety also applies to other school bus services operating within the CHWF construction area, including Tinui School. We would like to acknowledge the time and contribution of AET, Chairman Tom Sims, BOTAS Chairman Euan Percy, and former board members Simon McKay and Lisa Sims in reaching agreement with Genesis Energy in a constructive manner.

Agreement between Castle Hill Wind Farm Community Action Group (“CHWFCAG”) and Genesis Energy

The second agreement reached has been between the CHWFCAG and Genesis Energy. This agreement focuses on changes to the resource consent conditions in order to minimise the

effects on the local community. The key changes to the consent conditions are outlined over the page. This agreement also provides a long term commitment by Genesis Energy to community investment within the CHWF community.

Again we would like to thank David Nelson, Jamie Falloon and Simon McKay for the time and effort they put in to working with us on this agreement.

CHWF resource consents approved

Once agreement was reached on all the issues and proposed resource consent condition changes, documentation outlining the agreements was submitted to the Environment Court in mid-May. At the beginning of July the Environment Court confirmed the changes proposed to the resource consent conditions by all the parties and the CHWF was approved.

Key changes to the resource consent conditions

For anyone navigating their way through the resource consent conditions, they are complex and at best dry! The following outlines the key changes that have been agreed.

Construction traffic

Construction traffic has been a key issue throughout the RMA process. A construction traffic management plan (“CTMP”) was proposed at the outset, however this plan will not be finalised until it is known when construction will commence. The plan will be developed with input from across the community, including property owners along each of the local roads that will be used and various commercial operators (including stock transport and logging operators, emergency services etc.). The process to invite interested parties to be involved is set out within the CTMP.

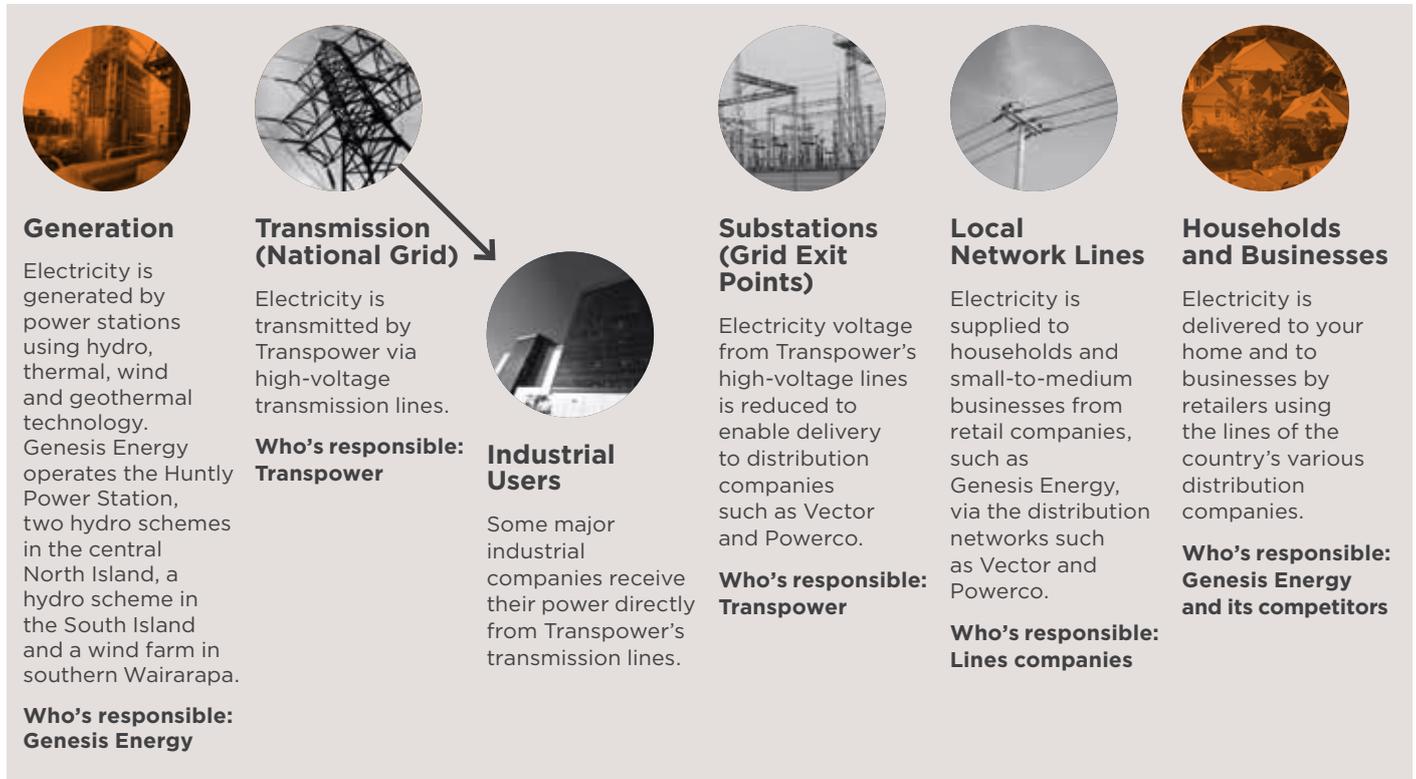
Other key changes to the conditions in relation to construction traffic management include:

- State Highway 2 and Alfredton Road via Eketahuna has been classified as the “main route”. Alternative routes can be used, however these need to be documented in the CTMP and only used when a change in circumstances means the main route is not usable or due to some exceptional / one-off event(s).
- Significant upgrading to the local roading network will be required to access the CHWF site, including maintaining these roads during construction and a period post construction. This also includes bridge widening and strengthening work.



A 53m blade being driven along SH23 to Raglan for the Te Uku Wind Farm (2010)

HOW ENERGY IS DISTRIBUTED



- Construction traffic (except overweight and over-dimension loads) will be restricted to using local roads from 7am to 7pm Mondays to Saturdays inclusive and not on Sundays or public holidays, except where a "planned concrete pour" or a "critical construction event" is scheduled. A notification process will also be developed - to advise the public of these activities.
- An independent commercial farm advisor will be appointed to provide input into the CTMP, including determining appropriate temporary stock management measures for local farmers.
- Any occupied residential dwelling (existing as at August 2011) that is located within 20m of the road which will be used by construction traffic within the CHWF area, (including Alfredton and Tinui Schools) will be able to have a potential noise and vibration review completed. Depending on the findings of the review, noise mitigation will be available.
- School buses operating on unsealed roads in the CHWF area will have sole use of the roads during school bus run times unless otherwise agreed.

Landscaping and amenities

Landscape and amenity mitigation planting has been confirmed for a list of properties that were determined by the Commissioners. This was not contested by Genesis Energy.

Community Liaison Group

A Community Liaison Group ("CLG") will be established by early 2014. Keep your eyes peeled in local papers over the next couple of months for details of the first meeting. The CLG will run at varying intervals depending on what is occurring on site.

Turbine corridor

Another significant change to the resource consent conditions is the reinstatement of the turbine corridor. Instead of deleting turbines, a number of Turbine Restriction Areas ("TRA's") have been developed and a maximum number of turbines can be built in each area. This essentially means that turbines cannot be built in specific defined areas unless the adjoining property owner agrees to them at the time Genesis Energy decides to proceed with the CHWF.

A full set of the resource consent conditions is available on Genesis Energy website www.genesisenergy.co.nz

When will construction commence?

Genesis Energy has no immediate plans to commence construction of the CHWF. Demand and supply of the energy market in New Zealand will dictate if and when Genesis Energy decides to proceed with constructing the CHWF. Due to the current over supply of generation in New Zealand it was very important for us to have 10 years in which to make a decision to proceed with the project. This is something that we are constantly reviewing with all our projects.

Where to next?

Other works streams will continue as we monitor supply and demand in New Zealand, including monitoring the wind resource in the area via the six monitoring masts and working with Transpower on the external transmission line project.

We'll be holding the first Community Liaison Group ("CLG") meeting before Christmas 2013, so watch out for more information in your local papers.



Our Generation Sites Around the Country

total generating capacity of assets
2000 MW

20%
supply capacity to NZ



Huntly Power Station



Tongariro Hydro Scheme



Waikaremoana Hydro Scheme



Hau Nui Wind Farm



Tekapo Hydro Scheme

CHWF Community Committee & Fund

The CHWF Community Fund has been established to provide community investment in the communities associated with the CHWF. Until construction commences the initial Community Committee comprises David Nelson, Simon McKay, Jamie Falloon and two Genesis Energy staff – Stephanie Murphy and Jenny Burke. This Committee will oversee the initial funding round and six months before construction commences a new committee will be elected via a formal election process. The Committee will then consist of two Genesis Energy appointed staff members, one appointed CHWFCAG member and two members elected by the CHWF community. The CHWFCAG will run its own separate election process to appoint their committee member.

INITIAL FUNDING ROUND

The Committee is now accepting applications for funding of community projects and tertiary educational courses. The Committee will consider projects that deliver community enrichment, education or environment enhancement within the community. Tertiary scholarship funding is also available to individuals within the community who wish to further their tertiary studies.

education



community



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Further information outlining the application process, criteria and timing for both Community Projects and Tertiary Scholarships is available on the Genesis Energy website www.genesisenergy.co.nz along with application forms.

Please feel free to call or email Jenny Burke on (09) 951 9283 / jenny.burke@genesisenergy.co.nz

Applications close **Friday 4 October 2013**

TALK TO US...

Main point of contact

Please feel free to give us a call or drop us an email if you have any questions or would like any more information on the project.

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