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AUCKLAND PROVINCE FEDERATED FARMERS of NZ (Inc)

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Submissions to Electricity Commission
Transpower's 400kv HVAC Staged Implementation Plan
for Otahuhu- Whakamaru line

This submission is on behalf of members of Auckland Province, Federated Farmers of NZ Inc.

We are heartened by the government moves to require the Electricity Commission to research all power options, you have our full support for this.

At present the electricity industry is dysfunctional. There is no overall plan, there is no overall plan for new generation, there are no commercial drivers for efficient placement of new generation close to load demand because of the flaws in the pricing strategy for transmission and generation.

We fully appreciate that the Auckland electricity supply needs an urgent upgrade to meet future growth demands but we must have the most efficient system. We consider that 2010 is too long to wait for Auckland's power upgrade. There needs to be an immediate start to an incremental upgrade of existing lines that been planed since 1980's and new generation north of Auckland.

We strongly endorse the Electricity Commission determination to reject Transpower's flawed 400 kv proposal. Transpower's staged proposal changes nothing and this proposal must be also rejected.

Before New Zealand power consumers are forced to pay for new transmission infrastructure that will cost \$1 billion plus over a 10 year period there must be a well researched generation plan. There is little spare power available and little confirmed new generation to the south of Auckland. While developing wind generation is a valuable new resource, it will not provide security of supply for Auckland, its main benefit is to save hydro generation when wind is available allowing hydro to be run harder for peak loading.

We strongly endorse your statement **Generating significant power in Northland is critical to solving Auckland's long-term power needs, says Electricity Commissioner Roy Hemmingway.**

Few, if any, cities as large as Auckland had so much of their power go through one substation, he said.

The issues are much wider than just a new line into Auckland.

New generation, This seems to be over looked but it is critical to have a comprehensive generation plan before any transmission solution. Where is new generation being built to feed additional power to Auckland and what proposals are there to build future generation to the South of Auckland? Plans are more advanced for new generation to the north of Auckland.

Transmission We already have 6 lines into Auckland; the capacity of the towers is poorly utilised. At present we do not need any more lines. The Whakamaru - Otahuhu A & B lines should be duplexed as similar lines in the South Island are. This has been part of the upgrade plan for 20 years.

Land access issues. Land access and line easements are the most important requirement for any transmission system but these issues are not properly provided for or are part of the Electricity Commission planning process, this highlights a serious flaw in the process. The true cost of transmission including land access must be established and used for the most efficient placement of new generation?

A fair one off valuation can not be made today when you have no idea what will happen 10 - 20 – 40 – 50 years time, annual payments for land access are an absolute bottom line.

Landowners will no longer accept that they have to continue to subsidise a profit driven multi million dollar electricity industry.

Health and safety. What indemnity against future health problems will Transpower provide for residents forced to live close to the 400 kv line?

Transmission lines will not solve Auckland's power woes, new generation must be built close to the required load Generating significant power in Northland is critical for security of supply into Auckland.

Generation.

Where is the extra generation going to come from? Surely this must be established first before we commit to spending \$1.3 billion over 10 years.

The Auckland black out on Monday 12 th June highlights the urgency of alternative supply from the north of Auckland. There is urgent need to get the proposed gas fired generation at Kaipara and the proposed Marsden Point generation underway utilising the existing double circuit 220 kv line to Albany. Transpower are already working on an underground link from Albany to Penrose. This would greatly increase the security of supply to Auckland.

Genesis state they ARE putting in their consent application and that Rodney District Council and the ARC are fully briefed on how important this is.

Generation of this type (which is useful for peak load) will be in place YEARS before any transmission lines are possible, therefore MUST be given the highest priority.

. Active encouragement must be given to distribution co-generation projects such as the Greymouth Petroleum generation project.

The \$800 million dividend paid to the government by Meridian is a disgrace, this must be reinvested in new generation.

Transmission.

The full cost of transmission including land access must be established to enable the most efficient placement of new generation so the blunder of building a gas fired generator at Huntly instead of the consented site at Otahuhu is not repeated at the expense of power consumers.

Likewise the blunder of building the dry year generator at Whirinaki must not be repeated.

The 400kv proposal is only rated at 800 MVA per circuit; the line @220kv would only have 400MVA per circuit. Upgrading the A&B lines would provide an additional 490 MVA per line, why is this not being done? The Huntly line was designed and built with wider cross-arm spacing to upgrade to 330 kv, an additional 600 MVA, why is this not being done?

The above upgrades are the only acceptable outcome for the community at present, causing much less disruption than 70 meter monster towers. New technology will change the situation considerably over the coming years.

Bill Easton wrote to Transpower in 2001 highlighting the urgency of upgrading the Auckland isthmus lines but little has been done. This must be given the highest priority.

Land access issues.

Surely land access is Transpower's most important requirement for any transmission solution. In Transpower's easement summary, landowners and land access do not get a mention except to say the proposal will obtain maximum benefit from the easement!!

The staged proposal will be impossible to value as a one off, **the absolute bottom line MUST BE ANNUAL PAYMENTS.** No one can value property 50 years ahead! Annual access payments would be an operating expense but one off payments would be needed to be capitalised.

The long standing grievances of land access and housing under build must be addressed as the thermal upgrade of the A & B lines has been approved.

It totally irresponsible of the electricity industry to allow this situation to continue, particularly thermally upgrading old lines over residential housing.

There will be major development in the Flat Bush area over the coming years, compounding these problems.

Transpower has to realise that land access is the most important part of its business and **must develop a business partnership with landowners**, not the confrontational approach there is at present.

Negotiations between Transpower and Federated Farmers/ Forrester Owners Association are deadlocked at present as Transpower refuses to move into the 21st century.

Contact Energy have notified price increases from 1 June of 19.12 to 20.42 cents/kwh and line charge 89 to 91.9 cents/day. How is this justified when wholesale prices are 7-8 cents? There was a similar increase last year. Why can not the power industry afford to reimburse landowners for the major restrictions lines place on our land? We have to intensify production to enable us to meet ever increasing costs but in many cases we will be considerably constrained by the presence of the lines. Deregulation has changed the whole issue, all industry participants are profit driven (all making large profits) but landowners are excluded and expected to continue to subsidise the electricity industry.

Easement width, 65 meters is OK for 220 kv but totally unacceptable for 400 kv, all our submissions have stated 2 x height of tower plus width of base.

The \$100 million allowed for land access and compensation will be totally inadequate and could cost double this if there is one off compensation. Reading the Transpower Easement Report they have no idea what is involved in relocating all affected buildings and farm infrastructure. They have not visited many properties. 3 badly affected properties that have existing lines and the proposed 400 kv line (6 towers) will alone require \$20 million for Transpower to provide replacement properties.

A negotiated settlement is the best way forward but to date, Transpower has refused to make a serious attempt to address any of the many issues raised by landowners and Federated Farmers. Until there is progress on land issues is made we continue to recommend to our members

DO NOT AGREE TO ANY THING OR SIGN ANY DOCUMENTS WITH TRANSPOWER OR ITS AGENTS until the Electricity Commission gives its final ruling and there is a comprehensive agreement with F.F. and F.O.A.

Conclusion.

A comprehensive generation plan must be in place before any major transmission solution is proceeded with. The \$1billion plus cost of the proposed 400 kv line would be much more effectively spent on new generation to the north of Auckland.

There needs to be an immediate start to an incremental upgrade of existing lines.

Auckland Federated Farmers of NZ will recommend to their members that they agree to the Whakamaru – Otahuhu A & B lines be duplexed with new low loss conductors and composite insulators. At the urban limits the A, B & C lines terminate at a substation and be under-grounded to Otahuhu (similar as planned for the proposed 400 kv line) Transpower will be required to negotiate a comprehensive 60 metre wide easement and access agreement (developed by Federated Farmers and Forrest Owners) with all landowners, pay compensation for “Injurious effect” and annual rentals with regular reviews for land access.

A commitment by Transpower to negotiate easement agreements for all National Grid lines.

The additional cost of land access to power consumers would be minimal in the overall retail cost of power.

We would actively work with the Electricity Commission and Transpower to help put this solution into effect.

Note. Transpower’s proposed thermal upgrade of the A & B lines is only a stop-gap solution as it will only provide an additional 80-90MW per line.

John Sexton.
Spokesman, Electricity,
Auckland Federated Farmers.