

The Chairperson
Board of Inquirey

12 September 2008

Sir

**Form 3 –
Proposed National Policy Statement for Renewable Electricity Generation.**

May I thank the Board for your letter of 5 September inviting Energy3 to make a submission on the Proposed National Policy.

About Energy3

Energy3 is an independent wind powered distributed electricity generator.

The company has one wind turbine installed at Southbridge in Canterbury, connected to the Orion network and selling generated electricity into the wholesale spot market.

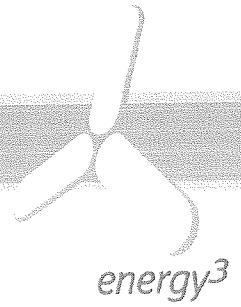
The company has land owner agreements with a number of farmers on whose land we aim to develop additional wind powered generation

We are currently preparing an application for a resource consent for a small distributed wind farm in the Marlborough region for up to 1.5MW. .

Our Submission on the Proposed National Policy Statement as publically notified on 6 September.

Name of person making submission

Ken Humphrey
Director
Energy3 Limited
P. O. Box 17563
Sumner
Christchurch



Specific Provisions of the proposal that my submission relates to are

Policy 4 – Enabling identification of renewable generation possibilities

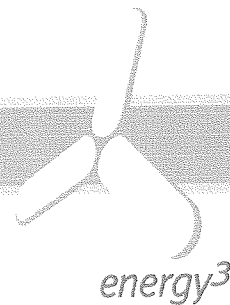
Policy 5 – Supporting small and community-scale renewable electricity generation

My Submission is

I support the Policy statements but would suggest to the Board that the time frame for implementation of the policies is too conservative.

My reasons for suggesting changes to accelerate the implementation of policy are

- 1. Security of supply;** If the Objective is to be met, then New Zealand electricity supply security (and electricity prices) will be more, rather than less, influenced by seasonal and annual weather variations. New Zealand has most recently narrowly averted a period of potential electricity shortages as 2008 lake levels dropped towards minimum levels. It follows that there urgency needed to increase investment levels into renewable generation in order that future electricity shortages can be avoided.
- 2. Abundance of Renewable Resources;** Conventional wisdom would suggest that New Zealand is short of energy. Not so. New Zealand is endowed with abundant renewable energy in the form of wind and hydro resources. Technologies for the conversion of these resources are well proven and commercially available. Mobilizing local authorities to actively support and encourage renewable energy development will encourage investment of both utility and distributed generation in a manner which promotes sustainability of the economy and communities.
- 3. Practical Barriers to Investment into renewable electricity generation;** Our opinion would be that the RMA does not pose a barrier to the development of distributed renewable generation; although we would



also observe that the costs of seeking resource consent for utility scale renewable generation would appear to be excessively high. The fundamental barriers to increasing investment levels into renewable generation are primarily concerned with investment economics; and in particular the absence of a long term electricity market against which electricity price certainty can be achieved.

I seek the following changes to the proposal

Policy 4 - By 13 March 2010 – as opposed to 13 March 2012....

Policy 5 - By 13 March 2010 – as opposed to 13 March 2012...

I do not wish to be heard in support of my submission

Signed

12/9/08

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Yours sincerely