

Report 03.312  
Date 26 May 2003  
File RE/02/02/04

Committee Policy, Finance and Strategy  
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## Supplementary Budget Allocation for Renewable Energy Initiatives

### 1. Purpose

To request funding for renewable energy initiatives in the 2003/04 financial year as part of finalisation of the Council's 10 year plan "Towards a Sustainable Region".

### 2. Background

Budgets relating to the Council's financial year that starts on 1 July are normally finalised by officers in the preceding February. This enables the Council to consider the range of projects budgeted within the context of the outcomes being sought. The agreed package of projects is then released for public consultation.

In March this year the Council approved the recommendations in report 03.11 – Renewable Energy Initiative. Funding for the project was not sought at the time because further information was required from external sources. This information is now to hand enabling a budget to be finalised.

### 3. Expenditure for 2002/03

Expenditure on the renewable energy project in the current year up to the end of April 2003 was \$32,500. This is made up of approximately \$10,000 legal, \$17,000 staff time and associated expenses, \$5,500 external consultants and incidental expenses. There will be some further expenditure in May and June – mostly staff costs.

Costs for the year to date, all of which were unbudgeted, have been charged to the General Manager's Department. In effect, these have been funded from the Council's operating surplus.

#### 4. **Budget for Renewable Energy Initiatives in 2003/04**

The budget below will support the following projects within the overall renewable energy initiative:

- Completion of the feasibility study for a wind farm at the Belmont Regional Park.
- If the Council decides to proceed with the Belmont project following the feasibility study, then the funding allows for the inviting of development proposals.
- Preliminary investigations into the wind resources and other issues at three other sites.

##### **Operating expenditure for 2003/04**

· External consultants	\$75,000
· Wind resource analysis	\$146,000
· Staff time and other costs	\$70,000
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	\$291,000

##### **Capital expenditure for 2003/04**

· 50m or 70m wind tower	\$40,000
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#### 5. **Justification**

The budget outlined above allows a good start to be made on implementing the Council's decisions on renewable energy initiatives. Approximately 85% of the expenditure is for the Belmont project. It is expected that some (if not all) of the Belmont expenditure will be recovered when the project is transferred to an electricity generator. However, the justification for the project does not depend on the recovery of some or all of the expected costs outlined in this report.

As part of its goal of working towards a sustainable region, the Council has taken a positive position on renewable energy. This is well supported in the submissions to the Council's LTCCP process. In excess of 40 submitters were in favour of wind energy development in the Wellington Region. There were no submissions against wind energy developments. Relative to the other submissions the Council receives on its activities, this represents very strong community support for wind energy developments.

#### 6. **Other Funding**

Discussions are currently being held with a number of agencies that may be able to assist with funding. At this point, there is no certainty of funding but if

some funding is received, it may be tagged for application to other parts of the renewable energy initiative. Therefore, it should be assumed for budgeting purposes that if approved, this project will be fully rate funded.

## 7. **Communications**

There are no immediate communication opportunities. Rather, these may be best kept until various milestones are reached with the projects.

## 8. **Recommendations**

*That the Committee recommend that Council:*

- (1) *receive the report and note its contents.*
- (2) *approve the inclusion of \$291,000 operating expenditure and \$40,000 capital expenditure in the 2003/04 annual plan (relating to the 2003/04 year only) to be funded from regional rates.*

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