

Mid Canterbury Water Development



Farmers are prepared to invest where they have confidence in the outcome

- \$100m spend on efficiency in RDR schemes in 5 years
- \$100m spend on new groundwater development in 5 years
- 2008 first major upgrade to pipe distribution \$10m
- 175,000ha of 250,000ha irrigated in district

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Mid Canterbury has multi stage development opportunity

- BCI stage one 17,800ha run of river (consented)
- BCI stage two 20,000ha with ACWT generation (mostly consented)
- Major storage for reliability

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Stage One

\$60m	primary canal (3MW generation)
\$60m	delivery to farm
\$35m	10m m ³ plains storage
<u>\$70m</u>	on farm development
\$225m	Total stage one

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Stage Two

\$80m	canal extension (20MW generation)
\$60m	delivery to farm
??	50m m ³ storage
<u>\$80m</u>	on farm development
\$220m	Minimum stage two

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Major impediments to investment

- High cost scheme with no short term cash surplus
- No capital gain margin
- Unknown impact of run of river reliability
- Exposure to energy cost (90m pump in stage one)
- Inability to stage individual development
- Reliance on cooperation with other farmers
- Stage one pricing includes significant future proofing
- Pricing dependant on full uptake

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What will give farmers confidence to invest

- Underwrite of uptake to enable project to commence
- Carry of surplus infrastructure
- Funding package to reflect inter-generational investment
- Movement on Rakaia WCO to provide confidence in long term reliability through Lake Coleridge