

<b>Date</b>	23 February 2026
<b>To</b>	Jon Bright, Project Director – Waitaha Hydro Scheme Westpower Ltd
<b>From</b>	Rodger Griffiths
<b>Project advice provided for</b>	<i>Waitaha Hydro Scheme</i>
<b>Documents referred to</b>	<i>Waitaha Hydro Scheme Substantive Application</i>
<b>Signature</b>	

1. This statement is in support of Memorandum #14.
2. Westpower considers that, should the Panel approve the Application, for the reasons set out in Memorandum #13, it is the role of the Panel (rather than the Minister) to set the long-term concession activity fee under the Fast-track Approvals Act 2024 (**FTAA**).
3. To assist the Panel to set the long-term concession activity fee, I append:
  - (a) **Appendix 1**, a memorandum from Mr Michael Penrose, Westpower's valuer;
  - (b) **Appendix 2**, a redacted version of Mr Penrose's memorandum;
  - (c) **Appendix 3**, Mr Penrose's unredacted final valuation report; and
  - (d) **Appendix 4**, Mr Penrose's redacted final valuation report.
4. It is important to emphasise that the level of the concession fee could have a very real impact on whether the project will be constructed. This is a large-scale construction project in a complex environment which makes it costly to build. Each additional percentage point in the concession fee increases the economic challenges in constructing this project.
5. Notwithstanding the fact that Westpower stands behind its valuation, due to the purpose of the FTAA, we believe that it would be appropriate for the panel to set a maximum Concession Fee of [ ] for the following reasons:
  - To strengthen the likelihood that the scheme will proceed, thereby increasing the chance of realising the regional and national benefits of the scheme.

- The Department of Conservation's valuation has provided evidence of smaller, lower risk schemes paying a lower percentage of revenue (Table 6, Market Information).
  - While during ongoing discussions, the Department continues to seek a higher concession fee, in doing so, it has set a minimum ('floor') concession activity fee of [ ] per annum, which is less than [ ] of annual gross revenue.
6. Any increases beyond the ultimate fee proposed by Westpower's valuer escalate the chances of the project not being built (and therefore that would defeat the purpose the FTAA).