

The BCI Scheme
Joint Venture between Barrhill Chertsey Irrigation Limited
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Fact Sheet 3 - BCI Scheme Coleridge Storage

In March 2013 amendments to the Rakaia River Water Conservation Order were authorised, and the BCI Scheme signed a Stored Water Release Agreement with TrustPower Limited, paving the way to accessing stored water from Lake Coleridge. The BCI Scheme has effectively taken those contract terms and incorporated them in the standard Water Agreement with irrigators and the operating protocols for stored water.

The BCI Scheme marketed the irrigation scheme on the basis that irrigators who chose to develop their own storage would not be forced to pay for scheme bulk storage, hence irrigators have the opportunity to nominate the volume they wish to store in Lake Coleridge.

1. How the TrustPower Contract works

- TrustPower has developed the Coleridge Project whereby water that is consented to be taken by the BCI Scheme, is available for taking on a given day under the rules of the Water Conservation Order (WCO), and was not taken by the BCI Scheme, can be retrospectively 'banked' in Lake Coleridge.
- Other parties will also likely contract with TrustPower, including Central Plains Water (CPW) and a group of lower Rakaia users (RRIA).
- The 'banked water' is made available to those parties who contract with TrustPower proportionally to their contracted volume (rather than the volume actually stored under the party's consent on a daily basis).
- The BCI Scheme is required to request water release daily at 6pm for release from that midnight.
- The agreement is based on the variation to the Rakaia WCO allowing volume released from Lake Coleridge to be released in a block and taken by the BCI Scheme at a lower rate over 24 hours (ie 24 cumecs for one hour = 1 cumec for 24 hours).
- The BCI Scheme can contract up to 20 million cubic meters under this contract and that volume will be available to the BCI Scheme and Acton Scheme. That volume will provide around 97% reliability to 18,000 hectares compared to the 82% reliability without storage.
- That volume is on a take or pay basis and is charged over the irrigating months at \$0.08 per cubic meter in year one with a CPI adjustment from June 2012 thereafter.
- The contracted volume does not carry over to the next year if it is not used.
- The contract provides for the BCI Scheme to ask for additional water, should the contracted volume be used within a season, and it will be made available up to 2/3rd of the contracted volume at the same price and subject to availability.

- There is also a provision for refill water, up to 1/3rd of the contracted volume, to be made available as take or pay water is used. This water is less likely to be available and is accordingly priced lower at \$0.05 per cubic meter.

2. Nominating a Volume

- The BCI Scheme is required to nominate the next season's volume by 1st June each year. Irrigators will be required to fill out the third schedule in the revised Water Agreement and return this to the BCI Scheme by this date.
- The nominated volume can increase over time but can not decrease.
- Any unused water can not be transferred to the following season.
- The nominate volume is contracted until the 2031 irrigation season.
- The BCI Scheme expects that stored water will eventually be traded between irrigators once the system is well understood.

3. Ordering Water

- Stored water is available from 1st October to 30th April each year.
- The BCI Scheme will prioritise the supply of all other sources of water before requiring TrustPower to release any water from Lake Coleridge.
- While ordering water through the 'water online' web page irrigators will be required to indicate if they are comfortable to use water stored on their behalf or not.
- The web page will indicate the remaining volume of stored water for the individual irrigator.
- Irrigators will be charged stored water on the volume ordered, regardless of the volume actually used.

4. Charges

- The charge for the 2013/14 irrigation season is 8c per cubic meter for stored water.
- Standard variable charges will also apply to deliver stored water.
- Charges beyond the first year will be inflated using a Consumer Price Index from a base date of June 2012.
- Charges will be invoiced through the irrigation season with other scheme charges.
- Any additional water, beyond the nominated volume, will be invoiced in the month used.

2013/14 Storage Charge: \$0.08 per cubic meter contracted for storage.

Completed March 2013