

There appears to be no specific infrastructure insurance for the Turitea wind farm. If this is true it would not be surprising as the premium for turbines on fault lines would be enormous and any policy in the public domain outlining the risk would scare investors away. The Government to avoid questions about insurance or indeed anything preferred secret has made Mercury immune from the Official Information Act. The government has cynically passed a risk once on the government's books to investors.

The word *insurance* appears 22 times in Mercury's 2022 Annual Report, *earthquake* just once on page 93, *fault* or *fault line* does not appear at all.

https://issuu.com/mercurynz/docs/mer0006_ar22_report_pp6_lr

Mercury Insurance Captive Ltd is a company established to disguise the lack of commercial insurance that a layperson would understand. Instead of paying premiums to an insurance company money is set aside in this "self-insurance" company. This is an intimation that Mercury is fully aware of the risk to Turitea [and Puketoi yet to be built] and wants to keep it under wraps. The result is that there is a high risk of under-insurance. To fully fund a Turitea and Puketoi rebuild would cost hundreds of millions and in all probability, they would not be rebuilt if severely damaged. How could this enormous amount of money be squirreled away over many years without it being noticed?

Investopedia states

- Self-insurance is a strategy for mitigating against the possibility of a future loss by putting aside a set portion of your own money, rather than buying insurance and having an insurance company reimburse you for what you've spent.
- The risk, or biggest disadvantage of self-insurance, is if an event occurs that is costlier than what the self-insured person was anticipating, potentially causing financial stress or devastation.
- <https://www.investopedia.com/terms/s/selfinsurance.asp>
- **Understanding a Captive Insurance Company**
A captive insurance company is a form of corporate [self-insurance](#). While there are financial benefits to creating a separate entity to provide insurance services, parent companies must consider the associated administrative and overhead costs, such as additional personnel. There are also complex compliance issues to consider. As a result, corporations that form captive insurance companies generally rely on traditional insurers to insure against some risks.
- <https://www.investopedia.com/terms/c/captive-insurance-company.asp>

Mercury / Mighty River Power did not address the seismic issue raised in Turitea submissions. I believe this was deliberate and that they knew about the problem. The July 2006 Preliminary Geotechnical Report by Beca Carter, Hollings & Ferner Limited uses the word *earthquake* just twice. See page 10.

<https://turiteadocuments.files.wordpress.com/2011/11/gavin-alexander-appendix-1.pdf>

The table presented on page 10 does not come close to the frequency for very large earthquakes when comparing it to the very substantial 443-page 2005 Manawatu-Wanganui Regional Lifelines Project, which concludes that an 8 can be expected at least once every 150 years.

https://turiteadocuments.files.wordpress.com/2022/12/hrc_00461_59_2005-ext-622-access.pdf

The Lifelines report was published 6 months before the Beca Carter report. PNCC was directly involved with this substantial document which very few ratepayers have seen. There appears to have been no reconciliation between these two reports once in PNCC's hands. The Lifelines project was ignored for political reasons. None of its findings were referred to in the Beca Report. If they had been it would have scuppered the wind farm and at the same time focused on the reported and subsequently hidden vulnerability of the Turitea Dams. PNCC was now committed to Turitea after having secretly taken milestone financial payments.

Today the earthquake risk to the entire lower half of the North Island is such that GNS Science estimates a 9 on the Richter Scale originating in the Hikurangi trough with a one in four chance over the next 50 years. There are now thousands of earthquake scenarios after an extensive survey.

GNS Media release 17 August 2023

<https://www.gns.cri.nz/news/new-3d-images-give-never-seen-before-views-inside-new-zealands-largest-fault/>

NZ Herald 16 July 2023 GNS video on slow slip earthquakes and their role in huge earthquakes.

<https://www.nzherald.co.nz/nz/what-scientists-just-discovered-about-nzs-big-risk-hikurangi-subduction-zone/2AK2AZOSM5GCZAVNWVLMQLG3A4/>

<https://www.youtube.com/watch?v=qGdjAyD67cs>

Earthquake simulation starting at Porangahau [NB the source of a recent spate of earthquakes]

<https://www.youtube.com/watch?v=HipS-7kGe9c>

Beca, members of the NZ Wind Energy Association, take a look at faultlines.

<https://turiteadocuments.files.wordpress.com/2012/04/beca-carter-seismic-survey-turitea.pdf>

Conclusion

Mercury, i.e. the government has so far successfully been able to keep from the public its policy of installing wind farms in high-risk seismic zones.

New Zealand taxpayers do not realise that a catastrophic earthquake at either Turitea or Puketoi or both will likely see them on the hook as the Government with 51% ownership will probably bail out the holders of Green Bonds. Taxpayers will also be on the hook for continuing to supply power to Amazon's data centre if the wind farms are offline. Get ready for brownouts.

Residents living under the wind farm can't sell their properties - I was in PN two months ago and this was confirmed by a friend in real estate. Many submitters raised Turitea's effect on the saleability of their property only to be callously ignored.

Amazon pretending to be green.

<https://www.newsroom.co.nz/amazon-cloud-centre-buys-into-new-wind-farm>