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Contact to supply Oji and Pan Pac with electricity for 10 years

Contact Energy has inked two new 10-year deals to supply renewable electricity to forestry products manufacturer Pan Pac Forest Products and pulp and paper company Oji Fibre Solutions.

The new electricity deals are the culmination of a procurement process run by the Major Electricity Users Group (MEUG) to assist its members in securing long-term electricity supply agreements.

Contact CEO Mike Fuge acknowledged MEUG's role and its members' collective intent to play their part in helping lower New Zealand's carbon emissions.

Under the agreements with Oji and Pan Pac, Contact will supply both companies with a portion of their electricity requirements through until 2034.

Mr Fuge said today's agreements followed on from the recent long-term deal agreed with Genesis in August.

"It is another vote of confidence from customers who are willing to make long-term commitments to support renewable generation development, including the 152-megawatt Tauhara geothermal power station we are building near Taupō.

We're delighted to be supplying these important industrial users. We want to grow demand for our renewable electricity by displacing thermal generation and deals like the two announced today underpin that happening. That will ultimately be good for New Zealand both in terms of reducing carbon emissions and keeping electricity prices as low as possible."

The Tauhara power station is expected to replace 1.3 terawatt hours of thermal generation from New Zealand's electricity system, displacing 450,000 tonnes per year of carbon emissions. It is expected to be completed in the middle of 2023.

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