



24 March 2021

Contact and Nova agreement increases efficiency of thermal generation

Contact Energy (“Contact”) has entered a gas tolling arrangement with Nova Energy (“Nova”). Under the agreement, Contact will purchase 3.6PJ of gas at market prices and sell back a similar volume of electricity that Nova would have otherwise generated through their own peaking plant.

Contact CEO Mike Fuge said: “This arrangement will help support the operation of our efficient Taranaki Combined Cycle plant during winter 2021, particularly during the upcoming outages at Genesis’ Huntly 5 Combined Cycle Gas Turbine in April.”

Mr Fuge said that although this was not new gas to the electricity market, this agreement allows gas to be directed to the most efficient electricity generating plant in a period of reduced gas availability and low hydro inflows. “These arrangements mean we can deliver more electricity from the same energy, effectively reducing the carbon intensity of the renewable firming thermal generation fleet. We’re delighted to have worked constructively with Nova Energy once again to deliver an efficient market response.”

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