

10 August 2023

Contact to invite interest in long-term electricity supply agreements

Contact Energy (Contact), in collaboration with its 100%-owned energy solutions business Simply Energy, invites interested parties to submit a proposal for up to 50 megawatts of electricity via hedge contracts (0.4TWh p.a.) for a minimum period of five years, starting from 2024.

Contact Chief Executive Officer, Mike Fuge, said the pro-active release of an open tender aligns with Contact's commitment to decarbonisation and is designed to meet the surge in requests Contact is receiving from businesses who want long-term electricity contracts to support their decarbonisation targets.

As New Zealand's leading developer of baseload renewable geothermal electricity, with more than 225MW already under construction, Contact is in a unique position to respond to the unprecedented customer demand. The tender is an orderly way to not only manage the volume of requests but also to deliver competitive pricing and extend the term of our sales book.

"It's fantastic to see customers looking to support our leading renewable development pipeline. These long-term commitments are good for New Zealand as they provide long term pricing certainty for significant electricity users, and encourage the continued development of new renewable generation."

Mr Fuge said Contact has made no secret of its willingness to grow the number of long-term electricity agreements beyond those already contracted. "We want to continue to grow demand for our renewable electricity by displacing thermal generation and supporting new electricity demand. We're delighted to be opening this new avenue for a wide range of parties beyond the traditional market participants."

Interested parties (who meet the criteria for 'wholesale investor' under the Financial Markets Conduct Act 2013) are invited to participate in a Request for Proposals process. Simply Energy will be the key point of contact for this process with tender documents available by contacting RFP_Bids@simplyenergy.co.nz.

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Summary of key terms of the Long Term CFD Tender:

See the Request for Proposals – Long Term Hedge Products term sheet for full terms and conditions.

Start date	1 January 2024
Location for settlement	Otahuhu
Contract type	Baseload electricity swap (CFD)
Term	Minimum 5 years; Maximum 7 years
Total volume available	50 megawatts (50 MW)
Minimum bid volume	5 megawatts (5 MW)
Price	Set by competitive tender
Closing date for responses	Final responses are due by 14 September 2023

About Simply Energy:

Simply Energy is an energy solutions business 100% owned by Contact. Together Simply Energy and Contact are on a mission to accelerate New Zealand's low-carbon transition and create a more sustainable, better New Zealand.

With a team of over 50 energy specialists and energy innovators, Simply Energy takes care of the day-to-day energy supply for many of New Zealand's largest businesses and enterprises. Simply Energy also works with a network of energy industry partners, to design and set-up innovative energy solutions to help customers use energy better and to help them make the switch to low-carbon electricity.

More information:

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