

Release

Stock Exchange Listings NZX (MEL) ASX (MEZ)

Meridian / NZAS demand response agreement unconditional

8 June 2023

Meridian Energy's new demand response agreement with New Zealand's Aluminium Smelter (NZAS) for 2023 and 2024 has become unconditional following approval announced this morning by the Electricity Authority.

The agreement, which was announced last month but subject to approval by the Electricity Authority, will see NZAS reduce consumption of electricity at the Tiwai Point Smelter by up to 50 MW (roughly the same amount of energy consumed by 50,000 typical kiwi homes) when requested by Meridian, to reduce pressure on the electricity system.

Meridian Energy Chief Executive Neal Barclay welcomes the Electricity Authority's approval.

"Simply put, this agreement means Aotearoa will likely need to burn less coal when a dry spell causes the hydro lakes to drop to low levels. When NZAS reduces consumption of electricity, that power can effectively be made available to other users."

"The net result is likely to be a reduction in carbon emissions from burning less coal and, just as importantly, a reduction in the overall cost of the electricity system, which ultimately reduces costs to customers," says Neal Barclay.

NZAS will be compensated for lost production when they are asked to reduce consumption.

"We appreciate the flexible and constructive approach NZAS has taken in reaching this agreement and also the decision of the Electricity Authority to approve it in time for winter this year," says Neal Barclay.

"As New Zealand works towards a more renewable electricity system, we need to think creatively about how we can manage winter demand and dry period energy needs. Customers who can be flexible in how they use power and the development of alternate green fuels such as hydrogen and biomass, when combined with smart technology, will enable New Zealand to transition to net zero emissions far more quickly and more cost effectively than most other nations. It's good that we are getting on with it."

ENDS

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Notes to Editors

- A copy of the demand response agreement and amendments to the current Electricity Agreement are available at <https://www.meridianenergy.co.nz/about-us/investors/reports/nzas-contract>.
- Meridian's previous announcement of 5 April 2023 regarding the NZAS demand response agreement is available at <https://www.nzx.com/announcements/409495>.