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Contact fast-tracks transmission build with Transpower

Contact Energy (**Contact**) has agreed to co-fund an accelerated work programme by Transpower to help move renewable electricity generation in the lower South Island north through the national transmission network. This will be important if the strategic review currently underway by the owner of the Tiwai Point aluminium smelter results in its curtailment or closure.

The work on the Clutha-Upper Waitaki Lines Project (**CUWLP**) by Transpower involves five projects. Two have been completed and the remaining three would be completed over a maximum of three summers if curtailment or closure of the aluminium smelter is announced.

Contact Energy CEO Dennis Barnes said Contact's arrangement with Transpower would provide Transpower with \$5 million in pre-funding to accelerate this work, with the first tranche taking place this summer. Transpower is looking to optimise the CUWLP work programme and accelerate its completion.

"We applaud Transpower's flexibility and pragmatism on accelerating this project. It's important for New Zealand and this sort of innovative thinking is what we need, especially with the uncertainty around the tenure of the Tiwai Point aluminium smelter."

He was confident the remainder of the work could be accelerated too. "Given the innovation demonstrated by the team at Transpower for this first stage of the work, I'm confident we can also work together to reduce the timeframe for the remaining work on the Clutha-Upper Waitaki Lines Project."

Mr Barnes said the work would be part funded by Contact initially, but any material reduction in consumption or closure of the Tiwai Point smelter would further accelerate the need for Transpower's investment in transmission upgrades.

"Our view remains that a disorderly exit of the smelter would be a poor outcome for New Zealand. Sudden closure will affect multiple stakeholders, including all generator retailers. It would also be detrimental to the Southland economy and the pursuit of our decarbonisation goals."

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About Contact Energy

Contact ([contact.co.nz](https://www.contact.co.nz)) is one of New Zealand's largest energy retailers and generators. We're committed to a sustainable, low carbon energy future for New Zealand. We balance our commitment to lowering carbon emissions and producing renewable energy, while maintaining reliable access to energy for our customers. We generate electricity from hydro, geothermal and gas and have one of the most flexible generation portfolios in the country.