

What is contingent storage?

Contingent storage involves lowering a lake level beyond normal operations to access additional water when needed.

It's only to be used in emergencies – such as if New Zealand is facing a serious electricity shortage – and only as a **last resort**, after other fuel sources like coal and gas have already been used. Think of it like an insurance policy to help keep the lights on during extreme situations.



How often is it used?

- Contact has never used contingent storage while operating the Clutha Mata-au hydro scheme.
- The last time Lake Hāwea's contingent storage was used was in 1982, over 40 years ago.
- It's designed to be used only when the electricity system is under extreme stress.
- In most cases, only part of the extra water would be used, not the full amount.



Why keep it if it's rarely used?

Contingent storage is like a safety net. It's there to protect New Zealand's electricity supply during long dry periods, or when other energy sources aren't available.



Who decides when it's used?

- Transpower uses **Electricity Risk Curves** (ERC) to decide.
- These curves show how likely it is that New Zealand could run out of electricity.
- Right now, Lake Hāwea's contingent storage is triggered at the 4 per cent risk level.
- Contact is proposing that if more storage is allowed, the extra water would only be used at higher risk levels (like 8 per cent), making it even less likely to be needed.



Why is Contact proposing a change?

- Before 2007, Lake Hāwea had an emergency range down to 330 metres.
- Back then, New Zealand had plenty of thermal power stations (coal and gas) to back up hydro power.
- Today, many of those power stations have closed or are closing, and gas is in limited supply.
- To fight climate change, we're shifting to renewable energy, but we still need backup power while phasing out fossil fuels and building up clean energy sources.
- That's why Contact believes having more water available will help keep New Zealand's electricity supply secure.



Is this about making money?

No. While Contact may benefit financially if contingent storage is used, the decision to use it is not up to Contact. It's made by **Transpower**, who manage the national electricity grid, to protect the electricity supply.

Want to know more?

Visit contact.co.nz/cluthahydroscheme or
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