



31 May 2024

## NZAS to stay for the long term

Contact has reached a long term agreement with the New Zealand Aluminium Smelter (NZAS) to supply renewable electricity to its Tiwai Point operation in Southland.

Contact currently supports the supply of around 100MW of electricity to NZAS through a Contract for Difference (CfD) provided to Meridian Energy since January 2021. This contract was due to expire on 31 December 2024.

Under the new agreement, Contact will directly provide 100 MW to NZAS from 1 July 2024 until 31 December 2024 increasing to 120 MW from 1 January 2025 for a minimum of 10 years and a maximum term ending 31 December 2044.

This supply will be provided at a price that is consistent with long-term electricity supply agreements supporting large South Island industrial users. It is materially higher than the price received on the current transitional agreement reached in 2021, with the new pricing effective from 1 July 2024.

For the 2025 and 2026 calendar years, Contact will supply an additional 25 MW to support the near-term production of high purity aluminium. Pricing for this tranche is higher still and reflects its short-term nature and the market conditions.

In addition, as part of the agreement, NZAS will also provide Contact with demand response of up to 46 MW to support New Zealand's security of supply. NZAS will curtail aluminium production when requested by Meridian Energy under specific circumstances.

"Contact's strategic decisions and sales choices over the past four years have been made under the belief that the Tiwai Point aluminium smelter in Southland will continue to operate for the long-term," said Mike Fuge, Contact CEO. "Confirmation of the sustainable electricity demand from the smelter supports the acceleration of the Contact26 strategy to decarbonise New Zealand, with the addition of demand response also supporting security of supply."

These contracts are subject to final regulatory approval. Contact has applied to the Electricity Authority for approval under the Electricity Industry Participation Code 2010. Contact expects to receive final approval by the end of June 2024. Contact's contracts are also conditional upon NZAS securing long term contracts with other generators for the balance of their electricity consumption.

Confirmation of this new long-term agreement will be a key consideration for the Board as it determines the final dividend payment for FY24 at its results in August.

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