

MEDIA RELEASE

Kaikohe, Saturday 31 January 2009



Ngawha Power Station officially opens

Last Saturday local MP, John Carter, invited dignitaries, guests and staff gathered for a ceremony to mark the Official Opening of Top Energy's expanded Ngawha Power Station.

Recent expansion work has raised the plant's capacity to 25 Mega Watts, in what has arguably been the largest commercial development undertaken in the region for 20 years. The station now consistently produces 70% (up from only 30%) of all electricity consumed by the over 28,000 power consumers in the Far North region.

Electricity generated is fed into Top Energy's network and then into to the National Grid, via Transpower's sub-station near Kaikohe. The electricity is being wholesaled to energy retailer, TrustPower, through a recently secured three-year supply agreement. The negotiations included a competitive tender process involving other retailers and major industrial users.

While this new supply agreement has brought welcome competition for the region's power consumers (TrustPower is aggressively marketing a 'switch' campaign to its competitors' customers) Top Energy Chief Executive Officer, Russell Shaw, says his company's focus was always on securing the best supply deal possible. "We reached a final stage of discussions with two large customers, but at the end of the day the TrustPower offer represented the best value," he said.

According to Shaw, achieving the Ngawha plant's current output has been a long-term focus for the company and its success is largely a testament to the foresight and tenacity of retired Chief Executive, Roger de Bray. "At times, Roger and his team faced seemingly insurmountable obstacles during the Stage 2 expansion, including resource consent delays, an Environment Court appeal and a challenge to continued ownership", said Shaw. Under Electricity Industry Reform legislation, the amount of electricity a lines business is allowed to generate is tightly controlled. Only after successful Government lobbying and a subsequent law change, was the company allowed to retain ownership, by way of a special exemption. "That's why Top Energy is unique in that we're the only lines business which has such a high level of generation", Shaw added.

Not only will generation at Ngawha contribute good profits for the Top Energy Group, it also means the majority of the electricity consumed in the Far North is generated locally, reducing the

community's exposure to possible national grid failures to the south. "Local generation reduces our reliance on Transpower to get electricity up here, particularly as the Electricity Commission has just turned down Transpower's plans to upgrade the grid through Auckland," says Shaw.

Under Top Energy's resource consent obligations, the company is required to carefully monitor the power station's effect on the geothermal field and surrounding environs and report performance to a panel of independent experts.

The company also has a Stage 3 option to further expand the station's output to 42 Mega Watts, however there are no immediate plans to proceed with further expansion. END.

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