



**3 August 2023**

## **Contact takes next steps to renew geothermal fleet**

Contact has today announced that it is taking the next steps to replace the 1950s-built Wairākei A and B geothermal power stations in Taupō with a new station of up to 180MW at Te Mihi (the GeoFuture project), an important part of the company's renewable energy strategy. In December 2022, Contact received resource consent to continue operations at the Wairākei geothermal field for the next 35 years.

A total of up to \$114m of development costs has been approved to advance the project towards a final investment decision which is expected in early 2024. Funding has been allocated for consenting and mitigation costs, front-end engineering design of the geothermal steamfield and costs to support the in-progress competitive tender process. A significant proportion of the costs relate to new drilling and well pad preparation which will de-risk the development schedule and assist in maturing the project design. To achieve this, Contact will be working with MB Century to start drilling a series of wells on the Wairākei geothermal field from September 2023 onwards.

Chief Development Officer Jacqui Nelson said that the programme builds on Contact's recent development experience with \$1.2bn of geothermal projects in construction in the Taupō region.

"We have learned that completing additional design work, procuring long lead items and accelerating drilling work in advance of the final investment decision, not only facilitates the smooth execution of major projects, but also puts us in a great position to optimise our fuelling strategy for the new plant."

The development and build of the new plant at Te Mihi will bring significant local investment to the Waikato region and will see all of Contact's geothermal production moved off-river.

The proposed station is projected to generate 1.4TWh per annum of baseload renewable electricity (based on a ~170MW plant), a net increase of 0.4TWh per annum, after the existing Wairākei power station is decommissioned and the new station comes on line in the second half of 2026.

"This is a key project for Contact. It reflects our ongoing commitment to protecting and enhancing the environment in which we operate as well as finding different ways to make the best use of the Wairākei geothermal reservoir to continue to generate reliable, low carbon, renewable electricity," says Jacqui Nelson.

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