



TRANSPOWER

Keeping the energy flowing

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Media release

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Transpower seeks input on Clutha Upper-Waitaki Lines Project

Transpower has today released a consultation document on the Clutha Upper-Waitaki Lines Project, seeking industry views on whether current market conditions support Transpower proceeding to complete the project.

General Manager Grid Delivery Mark Ryall says the project was approved by the Electricity Commission in 2010 and two sections of work have already been completed because they were required for lower South Island security of supply.

“For us to complete the project, we need sufficient certainty of the need to remove transmission constraints and allow excess generation in the region to be exported further north,” he says.

“This could come from the development of new electricity generation in the region or the availability of excess generation capacity if the Tiwai Aluminium Smelter were to close or cut back production.”

Speculation regarding the potential exit of the Tiwai Aluminium Smelter, and the resulting availability of the electricity it currently uses, triggered a review of the transmission network and ongoing industry discussion.

“We also believe there are new factors to consider which could impact the need for completing the project. These include the potential for the project to stimulate our post Covid-19 economy and for the resulting network to enable the development of new, renewable generation in the region,” says Mr Ryall.

“This is why we are now seeking stakeholder views on completing the project. We are interested in any information and views stakeholders have on whether now is the right time to proceed.”

Consultation is open now and closes on Thursday 21 May 2020.

Once completed, the project will remove a constraint in the lower South Island that will allow more, lower-cost renewable electricity to flow north to load centres.

In December 2019, Transpower received funding of \$5 million each from both Meridian Energy and Contact Energy to commence enabling works in the summer of 2019-2020.

The funding enabled a project timeline that could have resulted in the completion of the project by the end of autumn in 2022.



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However, with work pausing during the Government's Alert Level 4 lockdown, and with planning and procurement decisions required earlier to meet international supply chain timelines impacted by Covid-19, the target completion is now winter 2023.

Meridian Energy and Contact Energy both recently confirmed they would not be making any further financial commitments to the project.

"As a result, and with no announcement having yet been made about the future of the Tiwai Aluminium Smelter, we have hit a critical decision point about whether to continue with the work to complete the remaining sections of the project," Mr Ryall explains.

The cost of the remaining work is estimated to be around \$92 million and would be covered by connected parties through the existing process of transmission pricing.

ENDS

Notes:

There were five sections to the Clutha Upper-Waitaki Lines Project that involved the duplexing of four circuits and the thermal upgrade of another.

Duplexing involves the stringing of a second conductor (wire) where only one existed previously, while a thermal upgrade increases an existing conductor's capacity to carry electricity.

<https://www.transpower.co.nz/clutha-upper-waitaki-lines-project-consultation-2020>

For further information, please contact:

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