



meridian

## **Meridian seeks correction of abnormal wholesale prices**

***For immediate release: Monday 28 March 2011***

Meridian Energy has lodged an *Undesirable Trading Situation* notice with the Electricity Authority, following an extended period of exceptionally high wholesale market prices on Saturday 26 March.

Meridian Chief Executive Tim Lusk says between 10.30am and 5.30pm on Saturday, Meridian was exposed to buying electricity at wholesale prices of between \$19,000 and \$20,000 MWh, significantly higher than average market prices, which are typically less than \$100/MWh.

“This happened during maintenance outages on the national transmission grid in the North Island, which significantly reduced transmission capacity from the Waikato to Auckland,” he says. “Meridian was forced to buy electricity off the wholesale market for supply to its upper North Island customers with a potential financial impact estimated to be between \$10 million to \$15 million (EBITDAF).”

“We are seeking a correction of the prices from the Electricity Authority via the *Undesirable Trading Situation* process, which is the established mechanism under the existing electricity market rules for addressing abnormal market conditions such as this.”

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### **About Meridian Energy**

Meridian is New Zealand's largest electricity generator and currently owns and operates nine hydro stations and four wind farms within New Zealand, and one wind farm in Australia:

- Manapouri power station and eight hydro stations on the Waitaki River in the South Island
- Te Apiti wind farm near Palmerston North
- White Hill wind farm in Southland
- West Wind farm in Wellington

- Te Uku wind farm near Raglan
- Mt Millar wind farm, Eyre Peninsula, South Australia
- CalRENEW 1 solar farm in Mendota, California

Internationally, Meridian has operations in Sydney, Australia, and San Francisco, California. Meridian recently announced the establishment of a joint venture with Australian energy company AGL to build what will be the southern hemisphere's biggest wind farm in southwest Victoria. The 420MW Macarthur wind farm is due for completion in 2013.

Meridian has a total retail customer base of 203,271 customers throughout New Zealand, which includes households, farms and businesses. It also provides electricity to New Zealand's single largest electricity user, the Rio Tinto Alcan New Zealand Limited aluminium smelter in Bluff.

Meridian invests strongly in renewable energy development both in New Zealand and offshore.