



Cabinet

CAB Min (04) 26/21

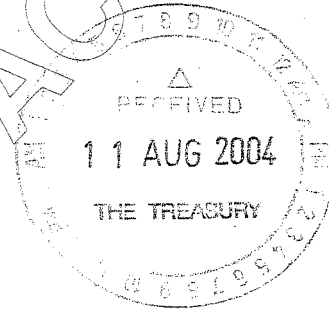
Minute of Decision

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Minister of Finance
Minister of Energy

Copies to:

Prime Minister
Deputy Prime Minister
Hon Jim Anderton
Minister for State Owned Enterprises



Additional Item: Genesis Power: Update on Government Support for E3P

On 9 August 2004, Cabinet:

- 1 **noted** the contents of the paper tabled at Cabinet by the Ministers of Finance and Energy on the progress of negotiations with Genesis Power on a risk sharing agreement that would enable Genesis to commission *e3p*, a 385 MW Combined Cycle Gas Turbine at Huntly;
- 2 **noted** that negotiations with Genesis Energy are progressing well and the risk sharing agreement that provides Genesis with the minimum level of support will enable it to commit to *e3p*;
- 3 **noted** that the government's interest in the proposition is from a wider energy perspective;
- 4 **noted** that on 19 July 2004 Cabinet:
 - 4.1 **authorised** shareholding Ministers, in consultation with the Minister of Energy:
 - 4.1.1 to negotiate with Genesis; and
 - 4.1.2 provided the risks associated with it can be managed and shared between Genesis and the Crown in an appropriate manner, to enter into a risk sharing arrangement, before 15 August 2004, which will allow *e3p* to be built on time;

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- 5 **rescinded** the decision referred to in paragraph 4;

- 6 **agreed** instead to authorise the Minister of Finance and the Minister of Energy to:
- 6.1 conclude negotiations with Genesis Energy;
 - 6.2 provided the risks associated with the agreement are managed and shared between Genesis and the Crown in an appropriate manner, enter into the risk sharing agreement before 15 August 2004, which will allow *e3p* to be built on time.

Si'ue Anuman

Secretary of the Cabinet

Reference: Paper tabled at Cabinet by the Minister of Finance
and the Minister of Energy entitled
"*Genesis Power: Update on Government Support for E3P*".

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