

Lower South Island Renewables Project

(Waitaki to Clutha Valley)

Public Conference
28 June 2010

TRANSPower

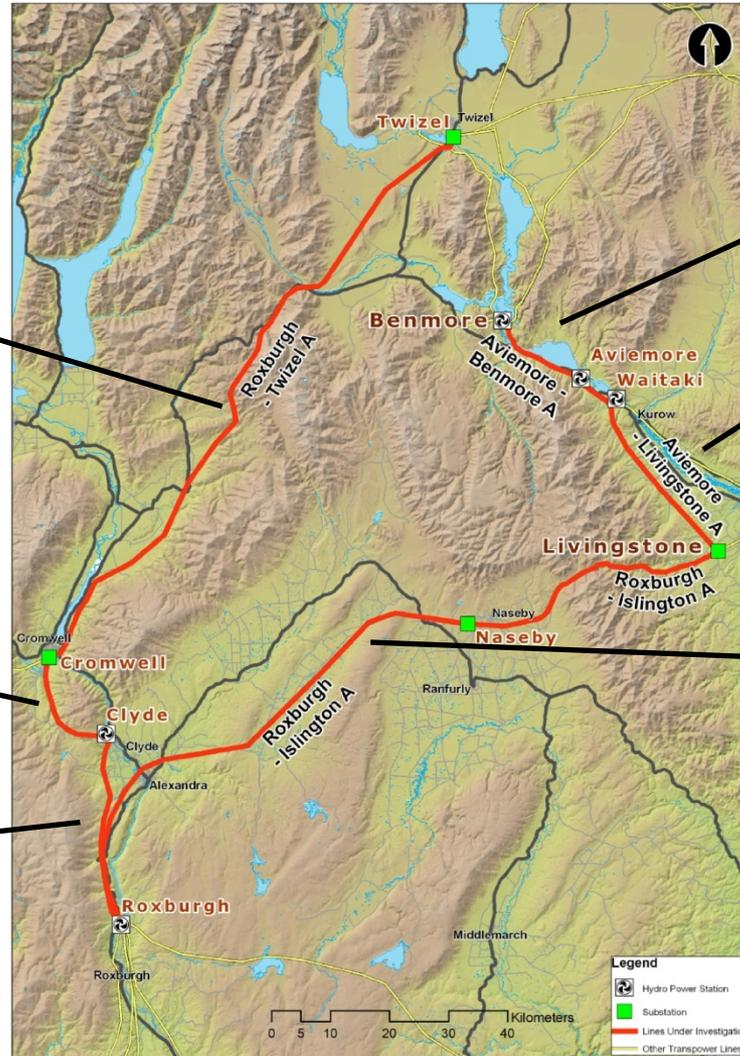


LSI Renewables – Proposed Upgrade

Cromwell-Twizel
• 110km
• TTU

Clyde - Cromwell
• no work required

Clyde-Roxburgh
• 34km
• Duplex (Reliability)



Benmore-Aviemore
• 18km
• Duplex

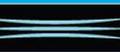
Aviemore-Waitaki-Livingstone
• 39km
• Duplex

Roxburgh-Naseby-Livingstone
• 143km
• Duplex



Our LSI upgrade project

- Package to upgrade 350 km of existing lines
 - Similar to work across NZ to utilise capacity of existing grid
- Substantial net benefit - \$335M for investment of \$148M
- Enables \$1.2 billion in generation development
- Provides security of supply to a critical region
 - Increasing electricity demand from agriculture
- Our upgrade is \$25M ahead of other options



Why the Lower SI Project?

- One of two enabling renewables projects agreed in 2008 based on potential wind and hydro development
- Grid already constrained – limits on generation and impact on security of supply
- Window of opportunity – do it now and avoid greater disruption and cost later
- Our upgrade project is robust and passes the GIT.



Consultation

- Extensive consultation with all stakeholders
- Landowner feedback – reflected in staging of project
- We have allowed a fair and adequate amount in the proposal to cover land costs
- The GIT is insensitive to the costs and hence is robust
- If approved, we will continue to work with land owners



The Project should be approved

- Enables substantial generation investment in the region and delivers a significant net benefit locally and to NZ
- Relieves existing grid constraints and provides security of supply to the wider region in dry years
- Meets the requirements of the GIT and is robust against a wide range of factors
- Makes the most of the opportunity available NOW and to *“do it once and do it right”*.

