



*Top Energy Limited*

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The Chief Executive  
Electricity Authority  
P O Box 10041  
Wellington 6143

By Email

Dear Sir

### **TOP ENERGY LIMITED EXEMPTION DECISION NO. 3**

I refer to the Authority's Decision No. 3 which relates to the granting of an exemption from the Arm's Length Rule relating to common management of a generation and a network business, issued on 2 October 2017, required in respect of an estimated 33MW (nameplate) [26 MW (net)] expansion to the Ngawha Springs geothermal generation facility.

The exemption was granted (on a number of conditions) in respect of generation capacity of, in total, 65 MW (nameplate).

Top Energy's original exemption application was based on an enthalpy assumption of 950kj/kg. This assumption was based upon the enthalpy experienced with the existing production wells. Since the exemption was granted, Top Energy has completed its drilling programme and has identified that the new wells have increased enthalpy sufficient to generate approximately 32 MW (net), instead of the originally calculated 26MW. The test results for the new wells are showing enthalpy of 1005kj/kg. To efficiently utilise this increased level of energy content, a minor plant capacity increase was required, with a resulting change in nameplate capacity. As a result, the limit of generation to which the exemption applies, is no longer sufficient.

For these reasons, a minor amendment is sought to the existing exemption which does not undermine the rationale on which the exemption was granted, nor, in Top Energy's view, require further consultation.

Top Energy Limited hereby applies for an amendment to the existing exemption to increase the generation capacity on which it is based from 65MW to 75MW, to reflect the greater capacity available and to ensure the Ngawha resource is used most efficiently.

No other aspects of the original application (other than for the newly appointed directors, details below) or the exemption granted are the subject of this application.

Paragraph 25 of the original application listed the details of the directors of both Top Energy and Ngawha Generation Limited. Since lodging the original application, a number of changes have occurred in relation to the structure and individuals appointed as directors to these companies.

Presently, the Directors of Top Energy are:

- Euan Richard KROGH – Chairman
- Jason John McDONALD
- David Alexander SULLIVAN
- Paul Irven WHITE
- Simon Venn YOUNG

The directors of Ngawha Generation Limited include Messrs Krogh, Sullivan and Young plus Dr Robert Duncan KIRKPATRICK and Keith Neville TEMPEST.

The three managers, Messrs Shaw, Doherty and James, details for whom were set out in Paragraph 10 (c), (d) and (e) and were included in the original exemption, remain the same.

For the purposes of this application, Top Energy confirms that the information on which the original application is based (other than in respect of the changes in directors referred to above) remains correct.

We are hopeful that the Authority is in a position to deal with this application with urgency.

**This application is made by Top Energy Limited (Company).**

The Company confirms that:

- All information requested by the Electricity Authority is provided;
- All relevant information known to the applicant is provided; and
- All information provided is true and correct as at the date of this application.
- The Company undertakes to advise the Authority immediately of any material change in circumstances relating to the application.

**Top Energy Limited**

**Date: 27.08.2019**

**Signed by**



**Russell Shaw**

**Chief Executive**

I am the Chief Executive Officer of the Company and am authorised to make this application.