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Transmission Pricing Submission, Cross Submission

Submission Written by Spence McClintock, Chief Executive Officer for the Ngati Tuwharetoa (Bay of Plenty) Group of Companies. Submission in the Name of Ngati Tuwharetoa Electricity Limited

Due 5pm 31st of October 2019

Cross Submission,

On behalf of Ngati Tuwharetoa Electricity Limited, owners of the 21 MW TOPP1 Geothermal Power Plant connected to the Kawerau GXP as part of the Norske Skog Connection and on behalf of Ngati Tuwharetoa Geothermal Assets Limited, a geothermal energy company with further development opportunity in Kawerau.

Ngati Tuwharetoa Electricity Limited fully supports the submissions submitted by Tauhara North Number 2 Trust and Norske Skog Tasman.

In particular we support the issue well made by Tauhara North Number 2 Trust that independent Generators will have no way of recuperating the proposed Transmission charges for generators. We raised the same issue in our submission.

In relation to the key points raised by Norske Skog we agree with the point made that load from Distributed Generators must be able to net off local demand if it reliably lowers demand on the current and future grid capacity requirements. If this load is never seen by the grid due to reliable local generation (and corresponding demand reduction if generation is low or unavailable for any reason) then there is no logic in counting it as grid based customer demand. If the wrong Transmission Pricing signals are sent then we will be forced to work with our customers to establish a local Network removing some of the grid stability services provided by Kawerau Industrial customers.

The Transmission Pricing Methodology as proposed will increase costs to Tuwharetoa Electricity Limited and our local customers (e.g Norske Skog). This will decrease the business case for both our customer's survival (e.g Norske Skog) and our willingness to invest in additional renewable geothermal generation in future.

I am happy to be contacted to discuss our cross submission.

Nga mihi

Spence McClintock

Tumuaki

Ngati Tuwharetoa Electricity Limited