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Contact Energy to supply 'flexible' renewable electricity for new data centre near Clyde Dam

Contact Energy (CEN) and its 100%-owned energy solutions business Simply Energy will supply renewable electricity for a datacentre being developed near the Clyde Dam by UK-based digital infrastructure company Lake Parime.

The agreement signed with Lake Parime (lakeparime.com) will see Contact supply 10MW of renewable electricity to operate the planned low-emissions data centre. It will be used for high-performance computing applications such as machine learning, blockchain, visualisation, modelling and artificial intelligence.

Lake Parime is working with the team at Simply Energy to implement 'demand flexibility' technology to ramp the data centre's operations up and down depending on New Zealand's electricity needs, weather and hydro generation water flows.

Simply Energy director Murray Dyer said the data centre's electricity load would respond continuously. "We need to ensure New Zealand's energy needs continue to be met as demand for renewable energy increases, and as more of our energy is sourced from intermittent renewables like wind and solar."

Contact CEO Mike Fuge said New Zealand's high levels of renewable electricity and the lower South Island's cooler climate were appealing to data centre operators. "There are environmental and economic advantages to being in this part of the world. We expect to see increasing interest from global companies looking for secure, clean, renewable energy sources."

Mr Fuge said attracting new industrial demand was in line with Contact's strategy. "This is the first announced project from our pipeline, as we pursue our target to secure over 300 megawatts of market-backed demand opportunities in the lower South Island, reducing New Zealand's reliance on the Tiwai smelter given its expected closure at the end of 2024.

"And of course, the demand flexibility aspect is aligned with our decarbonisation aspirations as it will reduce the volume of thermal generation needed to back up the national grid in a dry year."

Resource consent under way

Following consultation with neighbours, Contact has submitted a resource consent application for the data centre today. It will be located south of the Clyde Dam, alongside the Clutha River.

"We have a range of activity planned to reduce any impact of the data centre, Mr Dyer said. This includes landscaping, paint colours, night lighting control and design to reduce visual impact and absorb noise."



If resource consent is approved, the data centre is expected to be up and running by May 2022.

New substation

As part of the project, Otago electricity distributor Aurora Energy will build and operate a new substation for the data centre and this will also bolster electricity connectivity and supply security for the local community. This will form part of Aurora's considerations as it plans a future substation replacement in the area in 2025.

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1/ About Simply Energy

Simply Energy ([simplyenergy.co.nz](https://www.simplyenergy.co.nz)) is 100% owned by Contact and takes care of the day-to-day energy supply and efficiency needs of many of New Zealand's largest commercial and industrial energy consumers.

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