

Contact's Commitment To Renewables Peaking

New Zealand electricity generator and retailer, Contact Energy, has executed contracts to purchase two fast-start gas turbine peaking units, to be installed on the site of Contact's currently disused Stratford power station.

Contact Energy Chief Executive, David Baldwin, signed an agreement with General Electric (GE) to purchase two 100 MW gas-fired peaking units, expected to be in service before the winter of 2010.

Contact also signed a contract with United Group (NZ) Limited to project manage, engineer and install the two peaking units, and procure and install the balance of plant required to complete the project, which will cost approximately NZ\$250 MM (A\$210 MM).

Baldwin said the peakers will play an important role in providing New Zealand with a secure supply of electricity, while also enabling the country to increase the level of electricity generated from renewable sources. "The role of thermal generation is changing and, as recognised in the New Zealand Energy Strategy, the strategic use of efficient, fast-start peaking plants will be needed to support increasing



A General Electric 100 MW LMS100 gas-fired peaking unit

volumes of weather-dependent renewables, such as wind generation", he said.

"These peaking units will ensure efficient use of New Zealand's natural gas resources and underpin development of New Zealand's renewable resources", he said.

Mr Baldwin said the peaking units will be developed in conjunction with an underground gas storage facility in the depleted Ahuroa gas

field in the Taranaki Basin. The facility will enable Contact to store natural gas underground during off-peak periods, and use it when it is most needed, such as during winter peaks.

"The gas storage facility is an important part of a renewable future for New Zealand. It is hoped to be operational at the time our new peaking plants enter service and will enable us to use these plants with maximum flexibility and efficiency to the benefit of the country's electricity supply", he said. ■