



meridian

Virtual Asset Swap (VAS) agreements

In December 2010 Meridian signed Virtual Asset Swap agreements with Mighty River Power and Genesis Energy.

The agreements took effect on 1 January 2011 and span 15 years, terminating on 31 December 2025.

Under the agreements:

- Meridian sells Mighty River Power up to 700 GWh per annum at the South Island node BEN2201
- Mighty River Power sells Meridian up to 700 GWh per annum at the North Island node WKM2201
- Meridian sells Genesis Energy up to 450 GWh per annum at a South Island node
- Genesis Energy sells Meridian up to 450 GWh per annum at a North Island node

How the VAS agreements work

Virtual Asset Swap agreements are financial arrangements (based on the standard ISDA contract) and do not result in the physical supply of electricity.

The agreements allow for increasing the volumes swapped during the first three years and decreasing the volumes swapped in the last three years. This is to enable each

party to adjust electricity sales to customers that may reflect these volumes at particular locations.

The agreements complement Meridian's existing North Island generation, including the Te Apiti wind farm in Palmerston North, West Wind in Wellington and the Te Uku wind farm in Raglan, Waikato.

Volumes to be delivered

More detail on the volumes to be delivered during each year under these contracts is available in a New Zealand Gazette published in December 2010.

[Read the New Zealand Gazette article \(350kB PDF\) »](#)

- See page 4335 & 4336 for the volumes in the agreement between Meridian & Mighty River Power.
- See page 4344 for the volumes in the agreement between Meridian and Genesis Energy.

This document excludes information that is commercially sensitive to all parties.

Pricing agreed between the parties

The price these volumes are transacted at was agreed between the parties prior to signing the agreements, the mechanism will remain unchanged for the duration of these agreements and details are commercially sensitive

to all parties. While the arrangements between Meridian, Mighty River Power and Genesis differ, the Virtual Asset Swap arrangements utilise the ASX for the purpose of determining price under these arrangements.

Find out more

[Media release 17 December – Meridian directed to sign Virtual Asset Swap agreements »](#)

[Media release 22 December – Virtual Asset Swap agreements signed »](#)