

Waitaki Upgrade Project Investment Decision



Construction of the Waitaki hydro power station originally began in the 1930's.

Today's announcement

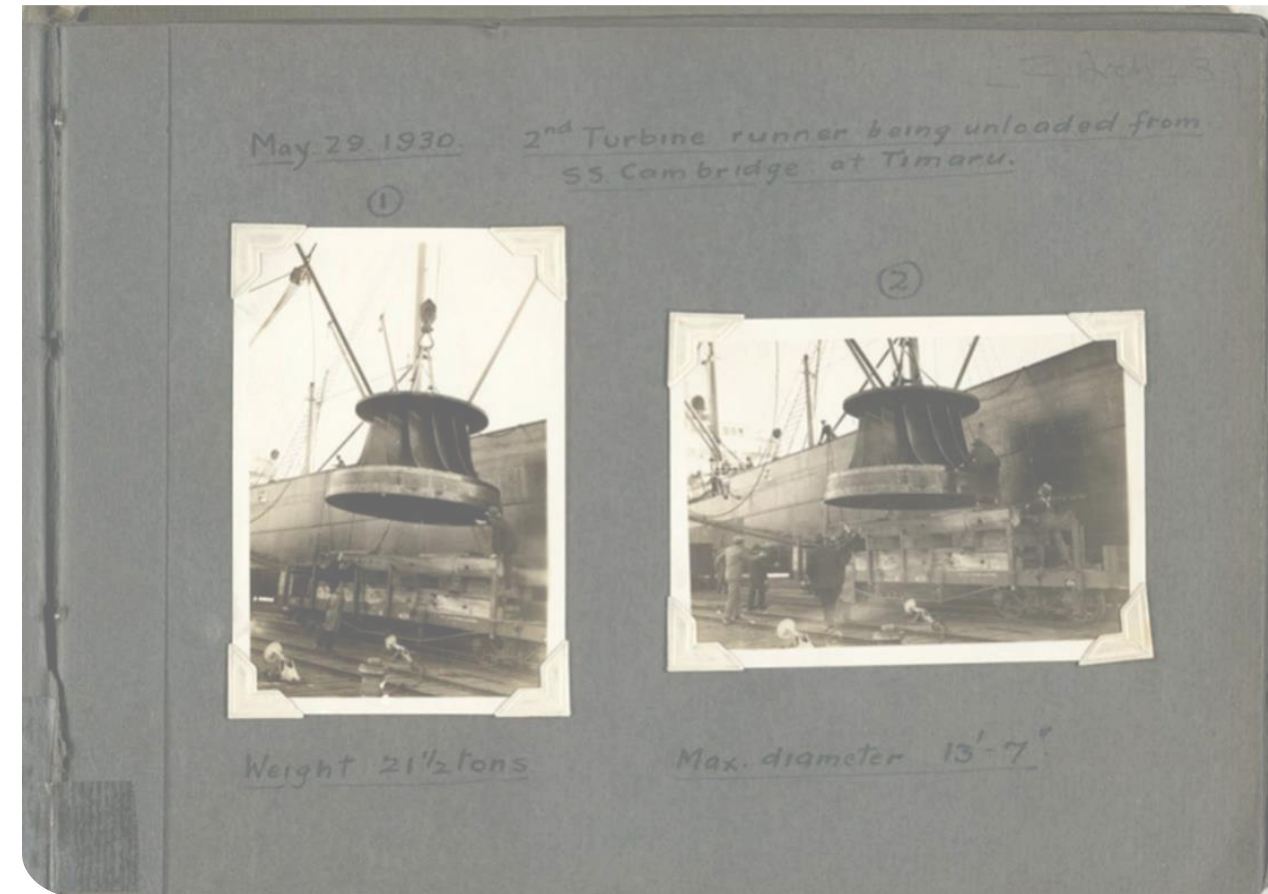
Meridian has committed to upgrading the 92-year-old Waitaki hydro power station.

The investment will deliver a full mechanical and electrical upgrade of all seven generating units.

\$440M to \$510M (nominal) investment over a 10-year period, delivering a 15%-20% IRR.

The investment will be treated as a combination of growth capital expenditure (15% of the investment) and a new classification, repowering capital expenditure (85% of the investment).

Repowering capital expenditure, as it is incurred, will be excluded from the calculation of operating free cash flow under Meridian's Dividend Policy. It will, however, be added back into operating free cash flow calculations proportionately over the expected useful life of the repowered station, currently estimated at 50 years.



Waitaki hydro power station began generating electricity in 1935, with two 15-megawatt generators operating – enough to meet almost half of the South Island's electricity needs at that time.

Project overview

The investment will deliver a full mechanical and electrical upgrade of all seven generating units, the connection assets, and balance of plant.

The project represents Meridian's first full mechanical and electrical refurbishment of a hydro power station.

The upgrade will substantially extend the operational life of the station, improve operational flexibility and resilience, and increase available station capacity by 15MW.

The upgrade provides higher financial returns than further deferral or decommissioning alternatives.

VOITH and  **Gentec SOLUTIONS** selected as key partners.



Waitaki hydro power station currently generates enough electricity for about 51,000 average New Zealand homes.

Project specifications

\$440M-\$510M (nominal) capital investment over **10** years.

Capex will be treated as **growth** capex, not included in stay in business capex or operating free cashflow under Meridian’s Dividend Policy.

The investment will be treated as a combination of **growth** capital expenditure (15% of the investment) and a new classification, **repowering** capital expenditure (85% of the investment).

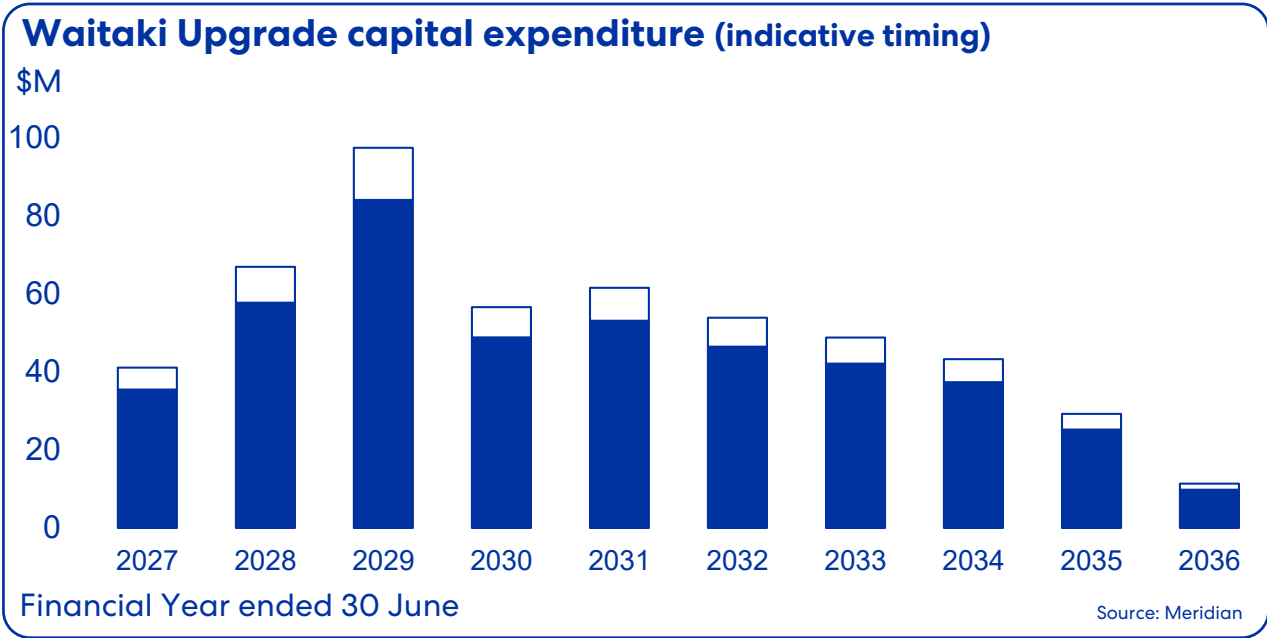
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15MW increase in available station capacity.

15%-20% IRR.

10,000 tCO₂e of emissions for the main contract works.

Sequential unit upgrades to minimise station outages.



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All currency amounts are in New Zealand dollars unless stated otherwise.