

## INTRA-DAY PEAK DEMAND RESPONSE AGREEMENT

### Parties:

Meridian Energy Limited (Meridian)

New Zealand Aluminium Smelters Limited (NZAS)

### Background

The Parties have agreed to enter into this Agreement with the intention to provide support in managing periods of low hydrology and grid instability in New Zealand during the 2024 winter period, and it is the parties' intention that when a Demand is made by Meridian under this Agreement, NZAS will reduce Consumption accordingly.

For the purposes of Subpart 7 of Part 13 of the Code, the parties agree that nothing in this Agreement shall be construed as a restriction on NZAS' ability to on-sell any unused megawatt quantities without NZAS being subject to any worse terms than if it had consumed the relevant quantity itself.

### Definitions:

"Actual Reduction"	means, in respect of a Calculation Period during a DR Period, the amount by which NZAS has reduced Consumption for that Calculation Period, calculated as $M - D$ , where: $M$ = the average of the Volume Consumed in each Calculation Period during the Reference Period. $D$ = the average of the Volume Consumed in that Calculation Period. If $(M - D)$ for a Calculation Period is a negative number, the Actual Reduction for the Calculation Period shall be deemed to be zero.
"Agreement"	means this Intra-Day Peak Demand Response Agreement entered into by Meridian and NZAS.
"Business Day"	means a day other than a Saturday, Sunday or statutory public holiday in Wellington or Invercargill, New Zealand.
"Calculation Period"	means any period of 30 consecutive minutes commencing on the hour or at 30 minutes past the hour.
"Calendar Day"	means a day starting at 00:00 hours and ending at 23:59 hours.
"Code"	means the Electricity Industry Participation Code 2010.
"Consumption"	means the consumption of electricity at the TWI2201 node by NZAS in connection with the smelting of alumina and for related purposes (including the production and processing of aluminium and related products).

"Demand"	means a request for reduction of Consumption by NZAS, made pursuant to this Agreement by Meridian.
"Demand Response Fee"	means the fee payable for the demand response service under this Agreement, as set out in clause 6.
"DR Exercise Notice"	is defined in clause 1 of this Agreement.
"DR Period"	means the period of up to four consecutive Calculation Periods specified in the DR Exercise Notice during which Meridian requires NZAS to reduce Consumption. The DR Period will commence at the beginning of the first Calculation Period and end at the end of the last Calculation Period specified in the DR Exercise Notice.
"DR Reduction"	means the amount (expressed in MWh per Calculation Period) by which Meridian requires NZAS to reduce Consumption in each Calculation Period during the DR Period, as specified in the DR Exercise Notice.
"Effective Date"	means the later of (i) the date this Agreement is signed by both parties and (ii) 3 June 2024.
"Electricity Agreement"	means the electricity agreement dated 1 October 2007 (as restated on 31 July 2015 and as amended or restated from time to time) between NZAS and Meridian.
"Existing Demand Response Agreement"	means the agreement titled 'Demand Response Agreement' between NZAS and Meridian dated on or about 4 April 2023.
"Expiry Date"	means the date that is 84 Calendar Days from (and including) the Effective Date.
"Fortnight"	means each period of 14 consecutive Calendar Days during the Term, the first such period starting on the Effective Date.
"GST"	means goods and services tax chargeable, or to which a person may be liable, under the Goods and Services Tax Act 1985.
"Reference Period"	means, with respect to a DR Period, the four most recent Calculation Periods preceding the time at which the related DR Exercise Notice is given.
"Term"	means the period from the Effective Date to the Expiry Date, unless this Agreement is terminated earlier in accordance with clauses 7 or 8.
"Volume Consumed"	means, in respect of a Calculation Period, the quantity of electricity Consumed by NZAS in that Calculation Period, expressed in MWh per Calculation Period.

Words and expressions defined in the Electricity Agreement have the same meaning in this Agreement, except where expressly defined in this Agreement or the context requires otherwise.

## Terms of Agreement:

### Demand Response

1. During the Term of this Agreement Meridian may, by giving written notice ("**DR Exercise Notice**") to NZAS in the form set out in Schedule 1 of this Agreement, require that NZAS reduce Consumption in accordance with the terms of this Agreement.
2. Each DR Exercise Notice must:
  - (a) specify the following:
    - (i) the DR Reduction (expressed in MWh per Calculation Period) by which Meridian is requiring NZAS to reduce Consumption for each Calculation Period during the DR Period, which must not exceed 10MWh per Calculation Period;
    - (ii) the first Calculation Period of the DR Period; and
    - (iii) the last Calculation Period of the DR Period, which must be no more than three Calculation Periods after the first Calculation Period of the DR Period; and
  - (b) be received by NZAS no less than two hours before the commencement of the DR Period.
3. Subject to compliance with clause 2, more than one Demand may be made by Meridian and be in effect at any one time, provided:
  - (a) a Calculation Period may only be included in one DR Period;
  - (b) no more than 20 Calculation Periods per Fortnight may be included in DR Periods;
  - (c) no more than 4 Calculation Periods per Calendar Day may be included in DR Periods; and
  - (d) if DR Periods are consecutive, the DR Reduction during each of those DR Periods must be the same.

For clarity and for the avoidance of doubt:

- (e) a Calculation Period is included in a DR Period when the relevant DR Exercise Notice is given in accordance with this Agreement, unless the DR Exercise Notice is revoked in accordance with clause 5;
- (f) a DR Reduction under this Agreement does not constitute a "DR Reduction" as defined in the Existing Demand Response Agreement, and vice versa;
- (g) a Demand made under this Agreement does not prevent or otherwise affect Meridian's ability to exercise an Option (as defined in the Existing Demand Response Agreement); and
- (h) the exercise of an Option (as defined in the Existing Demand Response Agreement) does not prevent or otherwise affect Meridian's ability to make a Demand under this Agreement.

4. For each Calculation Period during any DR Period, NZAS shall reduce its Consumption by the amount of the applicable DR Reduction. Should NZAS fail in any Calculation Period during the DR Period to reduce Consumption by an amount equal to or more than 90% of the applicable DR Reduction, then the Demand Response Fee payable for the calendar week in which the DR Period falls will be adjusted in accordance with the formula below:

$$\text{Demand Response Fee for a calendar week} = \$ \quad \times \frac{X}{Y}$$

Where:

X = Number of Calculation Periods included in a DR Period in that calendar week in which Actual Reduction is equal to or more than 90% of the applicable DR Reduction

Y = Number of Calculation Periods included in a DR Period in that calendar week

The parties agree that no other consequence or liability for NZAS will flow from such failure to reduce Consumption whether in terms of this Agreement or otherwise, except for clause 8.

5. Meridian may revoke a DR Exercise Notice by giving notice to NZAS no less than 1 hour prior to commencement of the related DR Period.

#### **Demand Response Fee**

6. Meridian shall pay to NZAS a fixed Demand Response Fee of \$ (plus GST, if any) for each calendar week during the Term, as such amount may be adjusted in accordance with clause 4. The Demand Response Fee shall be payable in arrears on the 20<sup>th</sup> day of each month (against receipt of a GST-compliant tax invoice, if required) with the final payment due on the 20<sup>th</sup> day of the month following the end of the Term in accordance with clause 7.12 of the Electricity Agreement. The Demand Response Fee is payable regardless of the number or frequency of Demands made (if any).

#### **Termination**

7. If the Electricity Agreement or the Existing Demand Response Agreement terminates before the Expiry Date, then this Agreement will terminate on the date that the Electricity Agreement or Existing Demand Response Agreement (as applicable) terminates.
8. If NZAS' Actual Reduction for any Calculation Period included in a DR Period is less than 50% of the applicable DR Reduction, Meridian has the right to terminate this Agreement, effective immediately.

#### **Notices**

9. All notices and invoices under this Agreement shall be addressed to the relevant party as outlined below:

NZAS shall address all notices and invoices to all of the following email addresses:

- (a)
- (b)
- (c)
- (d)
- (e)

Meridian shall address all DR Exercise Notices to all of the following email addresses:

(a)

(b)

(c)

and promptly after sending of the email also telephone NZAS' Duty RCO (tel. no. ) to advise of the sending of the DR Exercise Notice.

Meridian shall address all invoices and other notices and communications to:

10. A notice will be deemed to have been received when sent by the sender. However, if a notice is received or deemed to have been received after 5pm on a Business Day in the place to which it is sent, or on a day which is not a Business Day in that place, it will be deemed not to have been received until the next Business Day in that place.

#### **Governing law**

11. This Agreement shall be governed by and construed in accordance with New Zealand law and the parties accordingly submit to the non-exclusive jurisdiction of the New Zealand courts.

#### **Counterparts**

12. This Agreement may be executed in two counterparts. Once both parties have executed a counterpart, and both have received an original copy of the other signed counterpart (allowing each party to have an original execution copy of this Agreement), each counterpart shall be deemed to be as valid and binding on the party executing it as if it had been executed by both parties.

**NEW ZEALAND ALUMINIUM  
SMELTERS LIMITED**

By:

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Signature of Authorised Signatory

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Name of Authorised Signatory

Date:

**MERIDIAN ENERGY LIMITED**

By:

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Signature of Authorised Signatory

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Name of Authorised Signatory

Date:

## Schedule 1 – Template DR Exercise Notice

Email from Meridian:

To: [ x ]

From: [Insert email]

Sent: [Date of DR Exercise Notice inserted automatically]

Subject: Notification – DR Exercise Notice under Meridian-NZAS Intra-Day Peak Demand Response Agreement

Text: We, Meridian Energy Limited, refer to the Intra-Day Peak Demand Response Agreement dated [ x ] 2024 between you and us (the "**Agreement**"). This email constitutes a "DR Exercise Notice" referred to in the Agreement. Terms defined in the Agreement have the same meanings as in this DR Exercise Notice.

We hereby exercise a Demand under the Agreement. The first Calculation Period of the DR Period will begin at [hh:mm] [am/pm] on [dd mmm yyyy] and the last Calculation Period of the DR Period will begin at [hh:mm] on [dd mmm yyyy].

The last day of the DR Period shall be [insert].

The DR Reduction for each Calculation Period during the DR Period is [ x ] MWh.

For and on behalf of Meridian Energy Limited.