



Market/media release

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Agreements signed for Huntly capacity to support national energy security

Genesis, Mercury, Meridian, and Contact have signed detailed agreements to establish a strategic energy reserve centered on Huntly Power Station in support of national security of supply.

Subject to Commerce Commission review, these agreements will support critical back-up electricity generation and fuel being available to support the security of the electricity system and price stability.

The parties identified the need for a security of supply solution in response to the market conditions during winter 2024, when a combination of a faster than expected decline in the national supply of natural gas, low hydro lake levels and low wind conditions created a pinch point in the nation's energy supply. The medium-term outlook for gas supply is also a key factor.

Huntly Power Station, located at Raahui Pookeka Huntly, is New Zealand's largest power generation site and plays a critical role in national energy security when hydro lakes are low and wind generation is reduced. The station includes three Rankine units, each with a capacity of 240 MW or 720 MW in total, able to run on gas and coal. Genesis is actively progressing its investigation of biomass as a fuel to gradually displace coal.

Genesis Chief Executive Malcolm Johns said one of the Rankine units was due to be decommissioned in February 2026.

"To keep this unit in service out to 2035 requires significant investment. The agreements announced today are essential to making that investment and ensuring a fuel reserve is in place for energy security."

The agreements are for 10-year Huntly Firming Options (HFOs) covering 150 MW, 50 MW each for Contact, Mercury and Meridian. In addition, the agreements support Genesis' establishment a solid fuel reserve of up to 600,000 tonnes for dry winters with low hydro inflows. This will initially be made up of coal, however, the reserve may transition to biomass as it becomes available in coming years.

The new 10-year HFOs support Rankine capacity remaining in the market, which will enable Genesis to offer future HFOs and other risk products to the wider market. Genesis' intention is that HFOs will be available to all market participants including independent retailers and generators, trading houses and industrial customers.

In 2024, 85 MW of short-term HFOs were bought by several market participants. Johns said HFOs are a contract for generation capacity, not a contract for energy.

"HFOs are designed to provide buyers with access to virtual generation 24 hours a day across the purchased time period. This enables Huntly to support energy security while maintaining price competition.

“We saw the effect of HFOs during the first half of 2025 when hydro lakes were low. Holders of the existing 85 MW of HFOs bought last year called on their virtual generation options, preserving water in the hydro lakes for winter 2025. This helped ensure wholesale prices did not spike this winter in the way they did last year”, said Johns.

The parties will now engage with the Commerce Commission to undertake the appropriate review of the agreements.

The parties intend for the agreements to be in place from 1 January 2026.

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About Genesis Energy

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG and is one of New Zealand’s largest energy retailers with approximately 500,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of \$NZ3.0 billion during the 12 months ended 30 June 2024. More information can be found at www.genesisenergy.co.nz
