



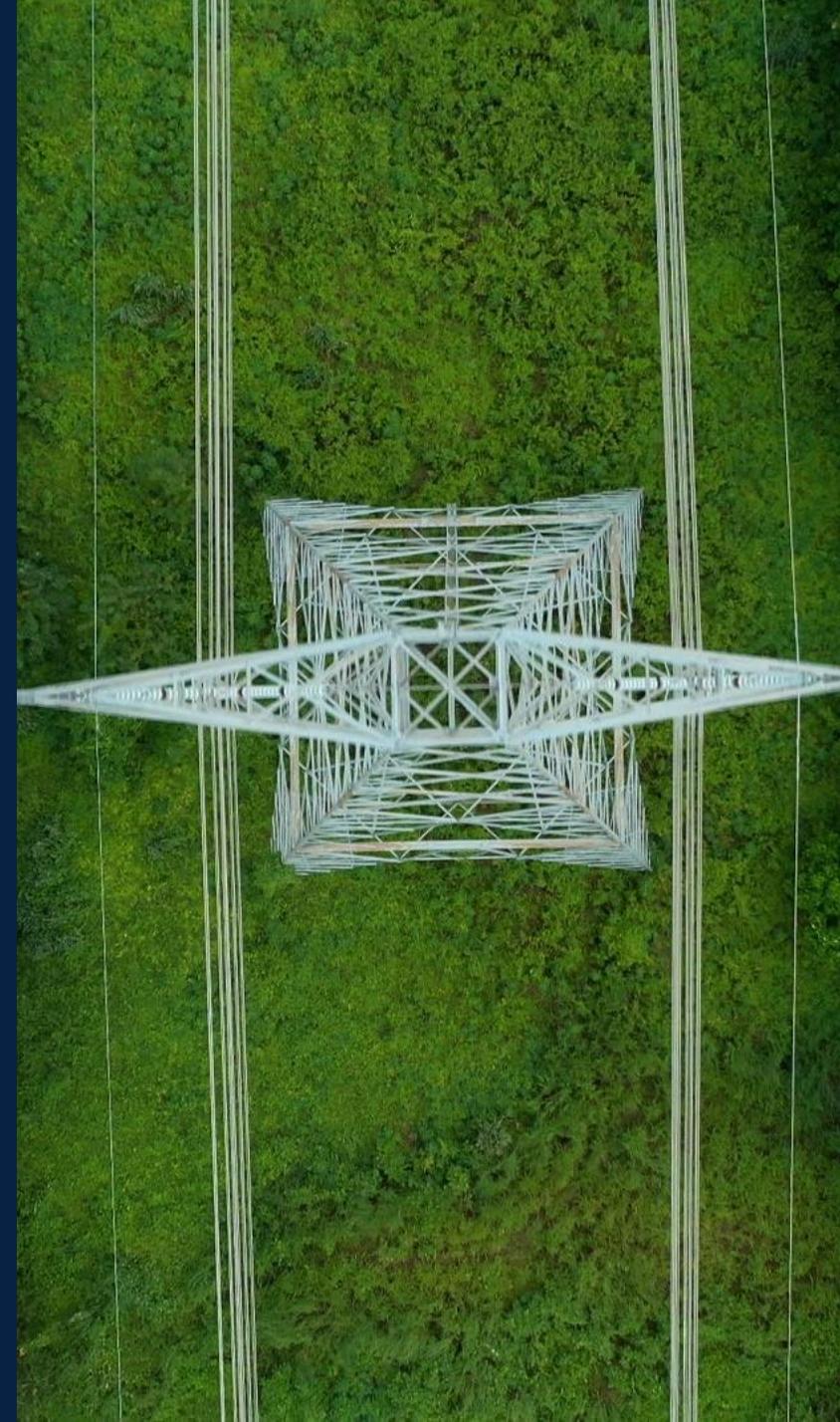
Channel

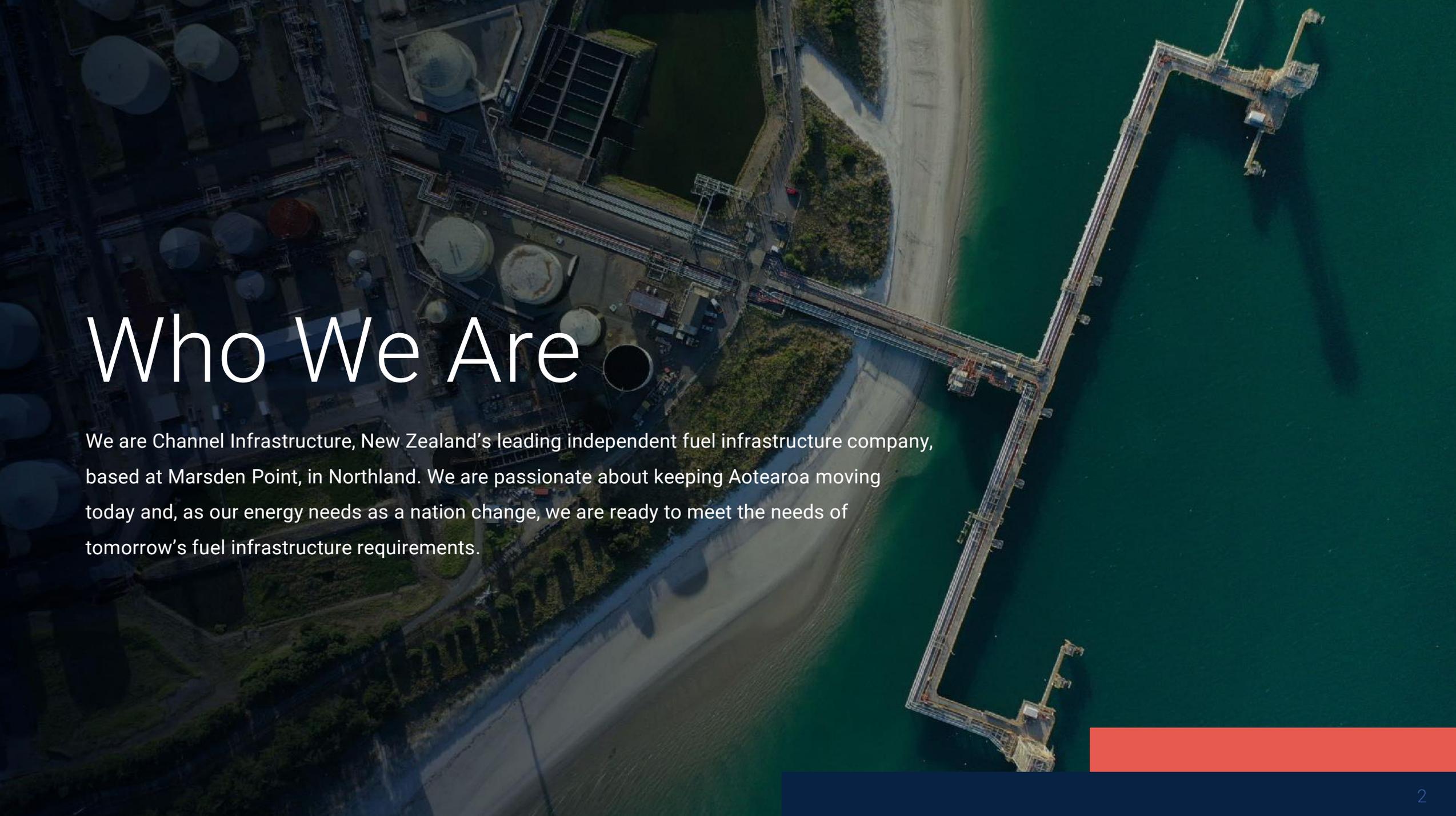
Infrastructure NZ

Request for Information Long-Term Low-Cost Electricity Supply for Channel Infrastructure

**An exciting opportunity to partner with New Zealand's
leading fuel infrastructure company**

RELEASE DATE 18 AUGUST 2022





Who We Are

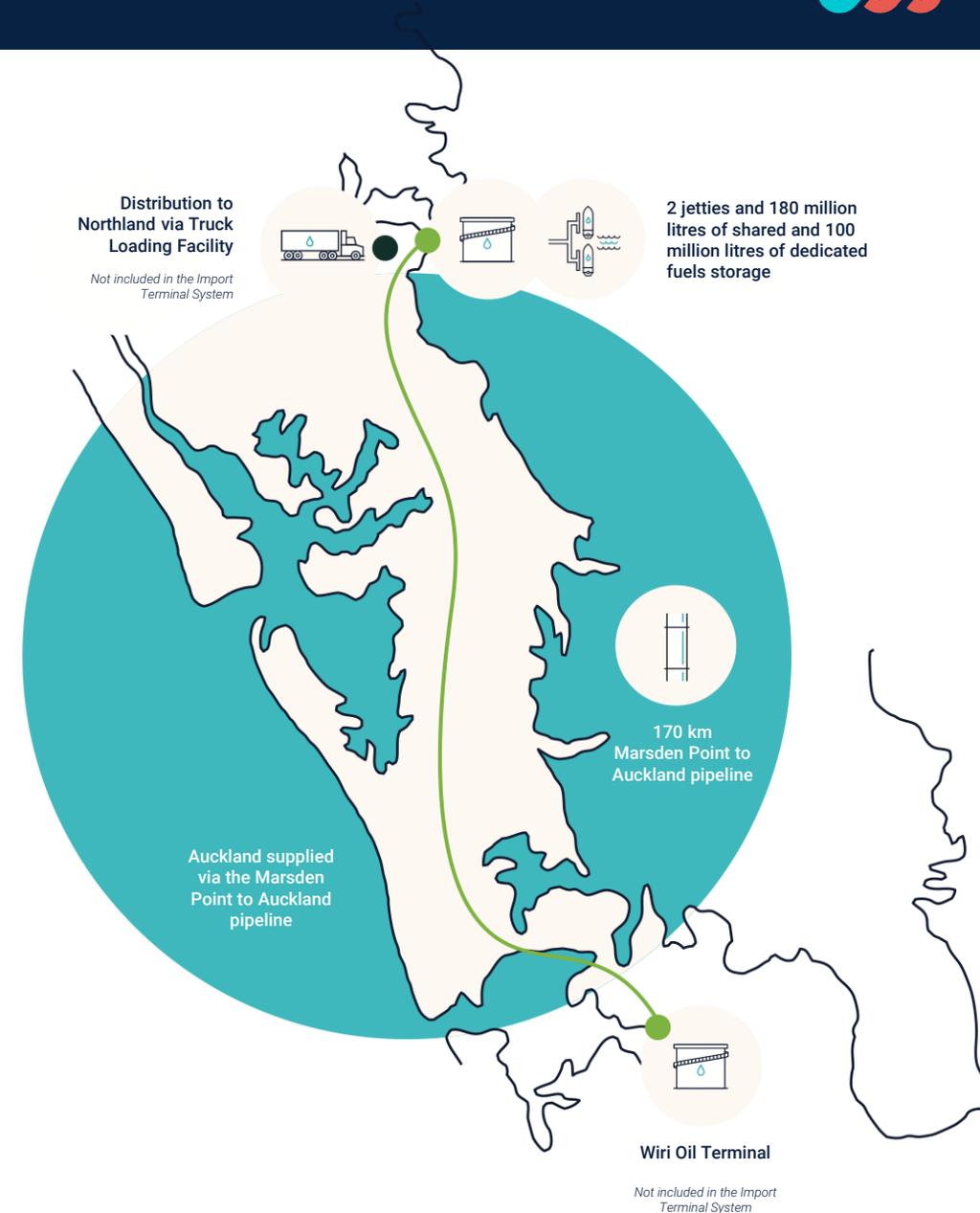
We are Channel Infrastructure, New Zealand's leading independent fuel infrastructure company, based at Marsden Point, in Northland. We are passionate about keeping Aotearoa moving today and, as our energy needs as a nation change, we are ready to meet the needs of tomorrow's fuel infrastructure requirements.

We have a proud 60-year history of keeping New Zealand's fuel supply moving, while operating our site situated on the beautiful Whangarei Harbour, safely and efficiently.

Following our transition from Refining NZ, in April 2022, we are New Zealand's largest fuels import terminal. We receive, store, test and distribute transport fuels owned by our customers safely, reliably, and efficiently to the Northland and Auckland markets which make up 40% of New Zealand's liquid fuel demand. Our Marsden Point to Auckland pipeline delivers fuel to our largest city and is the only supply route to Auckland International Airport. We are the only fuel terminal in New Zealand capable of handling large LR tankers.

Channel Infrastructure is listed on the NZX main board under the ticker code 'CHI', with a market capitalisation of over \$400m. Long-term customer contracts with strong credit counterparts and fixed and minimum fee components deliver strong earnings and cash flow and allow third-party access to unutilised capacity from 2025. Channel Infrastructure is majority owned by New Zealand and overseas institutional and retail investors, with fuel companies bp, Mobil and Z owning a minority 35% shareholding.

Looking to the future, we are looking at how our Marsden Point site supports future fuels, including biofuels, sustainable aviation fuel and hydrogen. We currently have a study underway with FFI into the feasibility of industrial scale hydrogen production at Marsden Point, which would require significantly more electricity in the future.



Our Objective

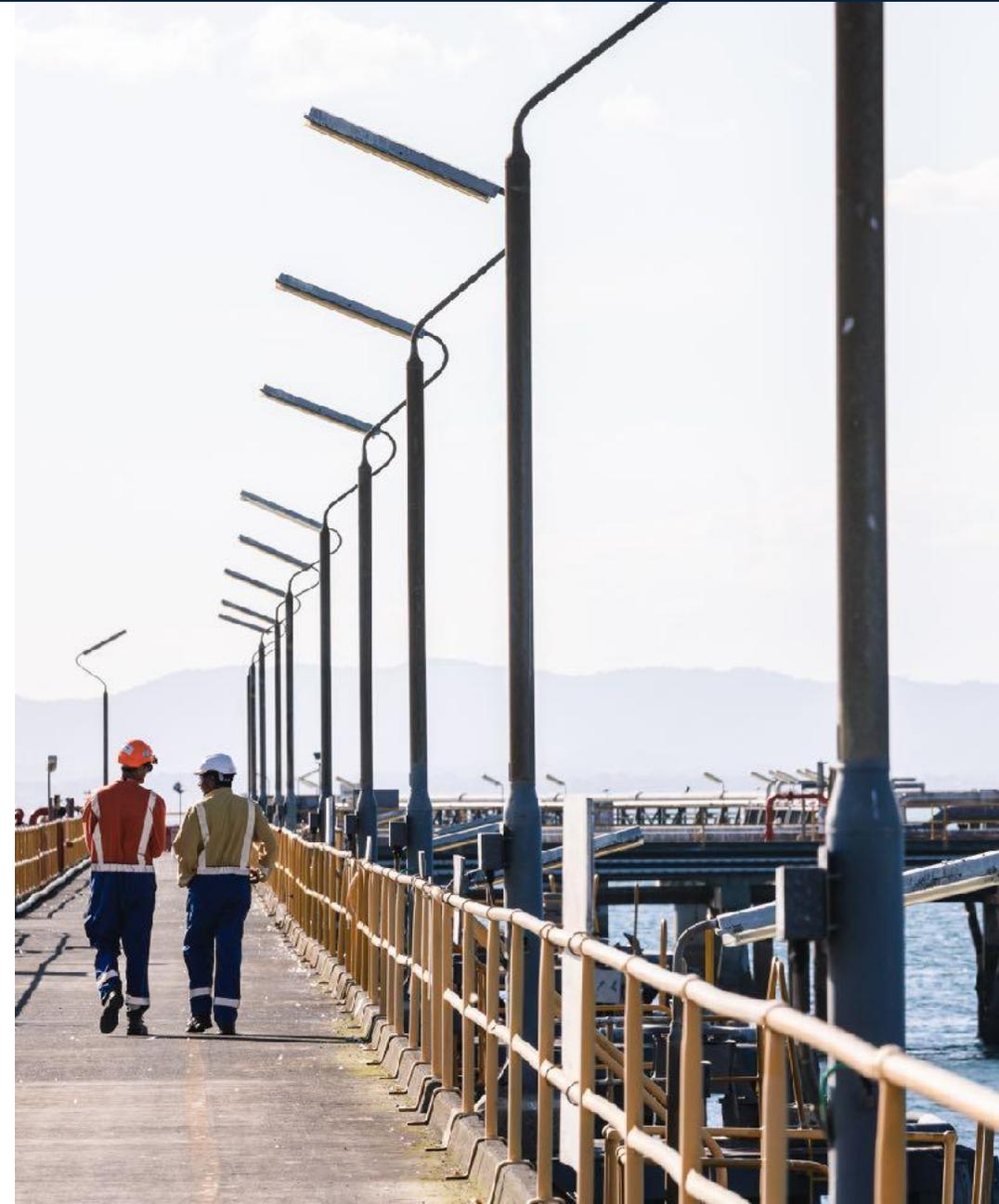
We are seeking a partner to provide secure, affordable, preferably renewable, long-term electricity supply for the Marsden Point Import Terminal.

This could involve the Maranga Ra solar farm development as a source of renewable energy. Maranga Ra is a fully consented shovel ready solar farm development planned on land adjacent to the Marsden Point Import Terminal

Challenges & Opportunities we are Looking to Address



- Electricity represents a quarter of terminal operating costs
- Current market pricing for electricity is significantly higher than cost of new renewable generation
- Refinery level electricity transmission & distribution charges being applied to a terminal operation
- Transmission pricing is a significant impediment to renewables growth in Northland
- Renewables growth in New Zealand is facing two key barriers (Maranga Ra is already fully consented and located in a region with transmission capacity):
 - Transmission capacity constraints
 - Resource Management Act constraints
- Decarbonization of our Scope 2 emissions



Opportunities for our Partners with the Underutilised Potential of our Site



Consented solar farm site next door

177ha total land size

600ML available tank capacity

Import Terminal System

Contracted and Potential Additional Storage

Available for Redevelopment

Potential Renewable Redevelopment

Proposed Maranga Ra Solar Farm



Purpose of this RFI

Channel Infrastructure is seeking to establish a strategic partnership or partnerships for the provision of long-term low-cost electricity supply and innovation and invites suitably qualified organisations to make a submission to this Request for Information (“RFI”). This could involve a simple electricity supply agreement or investment in Maranga Ra as an on-grid or off-grid solution.

We will not be prescriptive on the term, quantity or price mechanism of your submission; we want your company to put forward the “best fit” economic proposal for the lowest cost of electricity supply to Channel.

What is Important to Channel Infrastructure



LOCATIONS

- Marsden Point Import Terminal (Plant) - ICP 0000546127NRA4F; current supply via Bream Bay GXP BRB0331
- Marsden Point to Auckland Pipeline Pump Station Wellsford (IPS1) - ICP 0000664012UN171; nearest GXP WEL0331;
- Marsden Point to Auckland Pipeline Pump Station Kumeu - ICP 0001451520UNB64; nearest GXP HEN0331

LOAD DETAIL

- 30-37GWh/annum total load including Intermediate Pumping Stations (IPS)
- Marsden Point load average 3.6MW
- Operating schedule 24/7, 365 days a year
- IPS1/2 additional load range 0-1.4MW
- Meter data available (dataroom will be opened with this detail included post NDA execution)

OFFTAKE CONTRACT

- Commencement date: 1 Jan 2025 (or earlier as 2023 and 2024 potential supply available)
- Minimum 10-year term with options to extend
- Opportunity for Maranga Ra development (dataroom will be opened with this detail included post NDA execution)

Maranga Ra Solar Farm Overview



Maranga Ra is Channel Infrastructure's fully consented shovel ready project, with the potential for on-grid or off-grid solution, which we invite bidders to consider.

PROJECT SUMMARY (FROM 2019)

TOTAL CAPEX INVESTMENT

\$36-39m

RATED CAPACITY

27MWp

ANNUAL ENERGY

35GWh/annum (*yield improvement possible*)

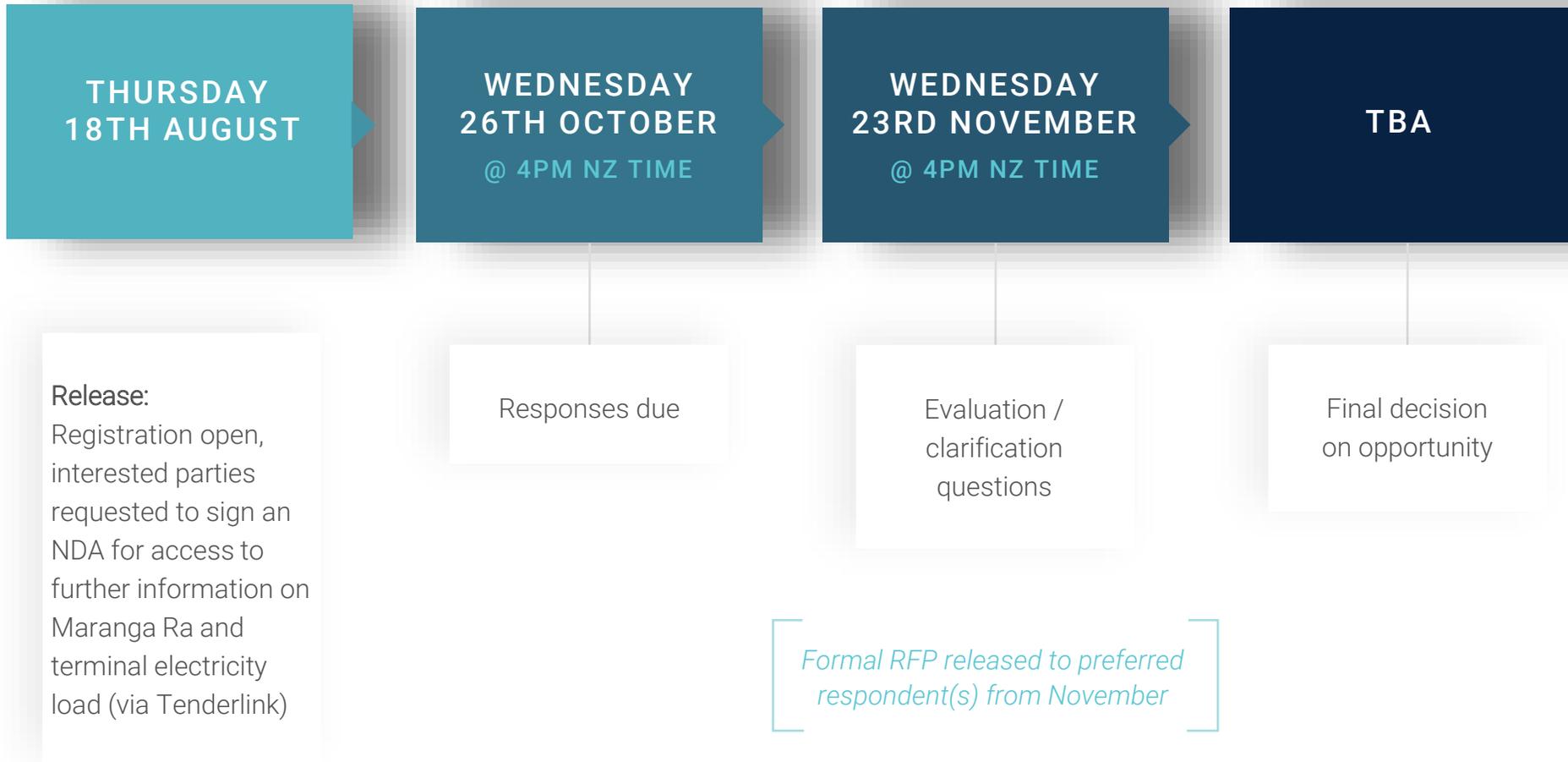
LAND

33Ha on land adjacent to Marsden Point Import Terminal (*owned by Channel*)



MAP IS INDICATIVE ONLY

Process and Timeline



Response Requirements



- Brief company introduction
- Scope of proposal: electricity contract only, investment in Maranga Ra or other etc.
- Electricity price indication including transmission & distribution \$/MWh, commencement date, supply period & quantity
- Opportunities to address transmission & distribution costs
- Scope 2 emissions content of supply
- Proposed contracting mechanism & investment/other requirements from Channel
- Experience & sources of funding, if applicable
- Technical work and due diligence requirements for next phase
- Any innovation/project ideas that could be of interest to Channel with regards to cost competitiveness or business development opportunities





Channel

Infrastructure NZ

Find out more

<https://channelnz.com/>

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