

LSI – Regional Grid Development Plan



Dairy for life

Introduction

- Fonterra in the LSI
- Dairy in Southland
- Electricity Supply Issues

Fonterra in the LSI



Edendale

- 3 milk powder dryers, cheese, lactose, 2 casein, WPC.
- 4th dryer currently being built.
- Largest dryer in the world, Edendale largest site in the world.



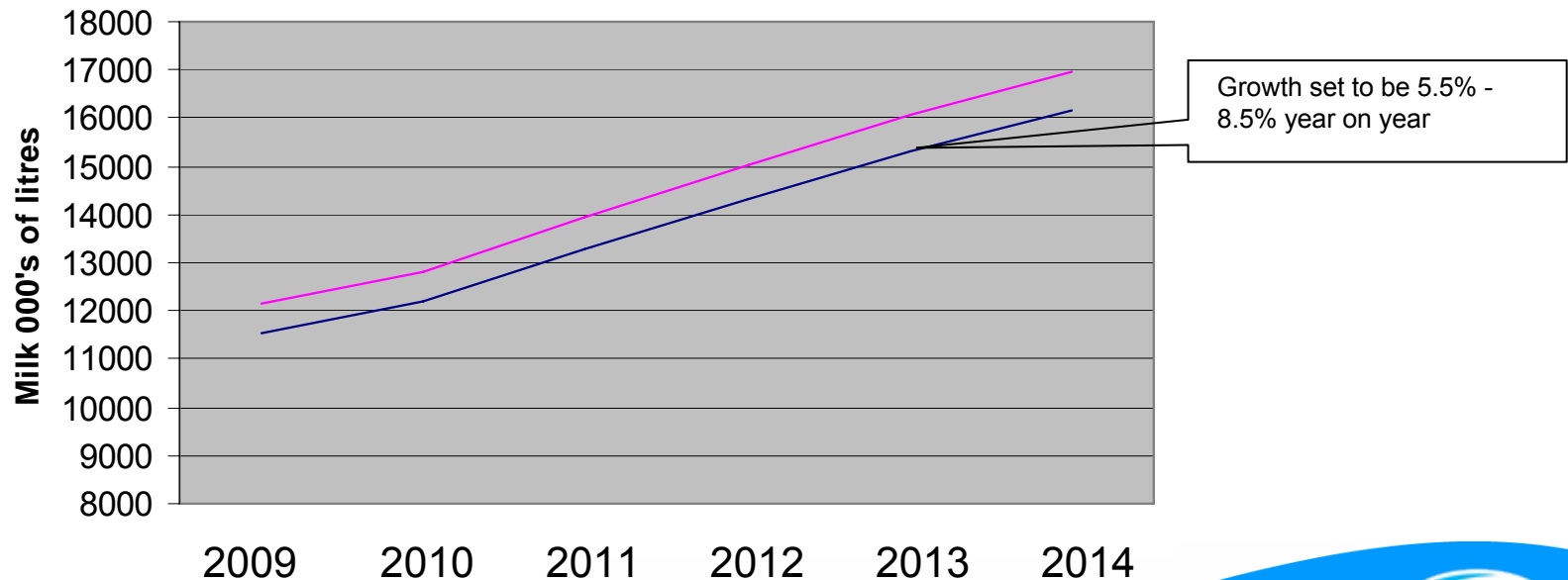
Stirling

- Cheese and WPC

Dairy in the LSI

- One other dairy processor, plus potentially one more.
- High rate of farm conversion.
- One estimate at 200 farms Y2009 (10MVA) in Southland.

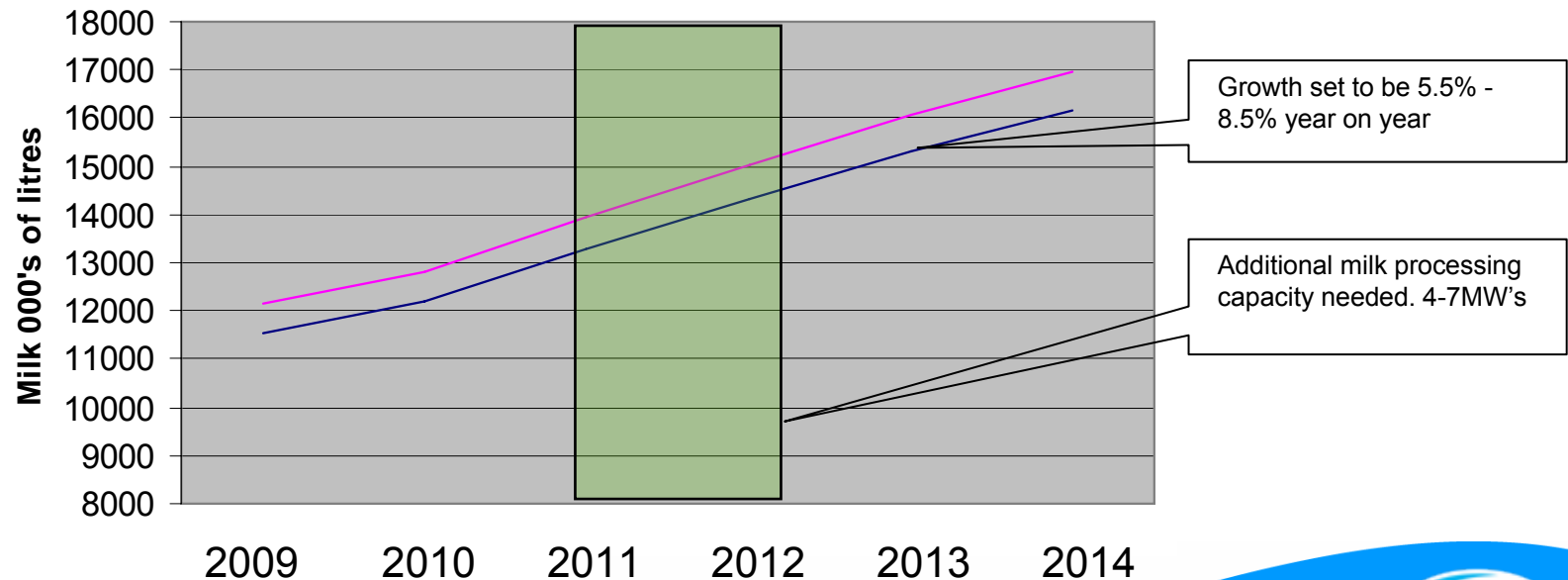
Milk Supply Curve



Dairy in the LSI

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Milk Supply Curve



Electricity in LSI

Security of supply number one.

■ Farms

- Some contingency available through portable generation.
- One hour loss is disruptive.
- One day loss distressed stock, potential for fall off in production.

■ Factories

- Dairy processing capacity linked to peak milk supply.
- One hour loss of supply 3 – 7 hours down time.
- Edendale dryer only cost \approx \$50k / MW.
- One day interruption through peak period leaves nowhere to process milk.
- Results in environmental impact.

Other side of the coin – During off peak times we have spare capacity on sites and can truck milk.

Questions?



Thanks for your time
and
any questions.....