Community Wind and the Market

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NZ POWER



Options	Pros	Cons
Spot Sales	 Easiest contractual arrangement Most likely to provide best returns over time 	• Potentially highly volatile cash flows
Spot + Hedge	 Relatively easy contractual arrangement Decreased cash flow volatility 	 Probability of periods of negative cash flows Contract complexity increases with length of term Admin fee on spot sale agreement could reduce attractiveness
FPVV	 Price certainty for a given level of output Relatively easy contractual arrangement 	 Significantly reduced revenue Contract complexity increases with length of term
Three Party Arrangement	 Price certainty for a given level of output Opportunity to obtain a flexible, long-term contract with favourable conditions 	 Most complex contractual form Reduced flexibility for consumer and generator





Changing ways of thinking?

Social Business

We love wind power!!

