

Meridian Energy

Construction Clients' Group Meeting

15 March 2007

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Agenda

- **Setting the Scene**
 - Keeping New Zealand New
 - Purpose
 - Core Business
- **Wellington Office Accommodation Project**



- **Strategy Conversion – Business to Property**
 - Workstyle Principles
 - Strategic Framework
- **Observations**
- **Key Messages**

Keeping New Zealand New

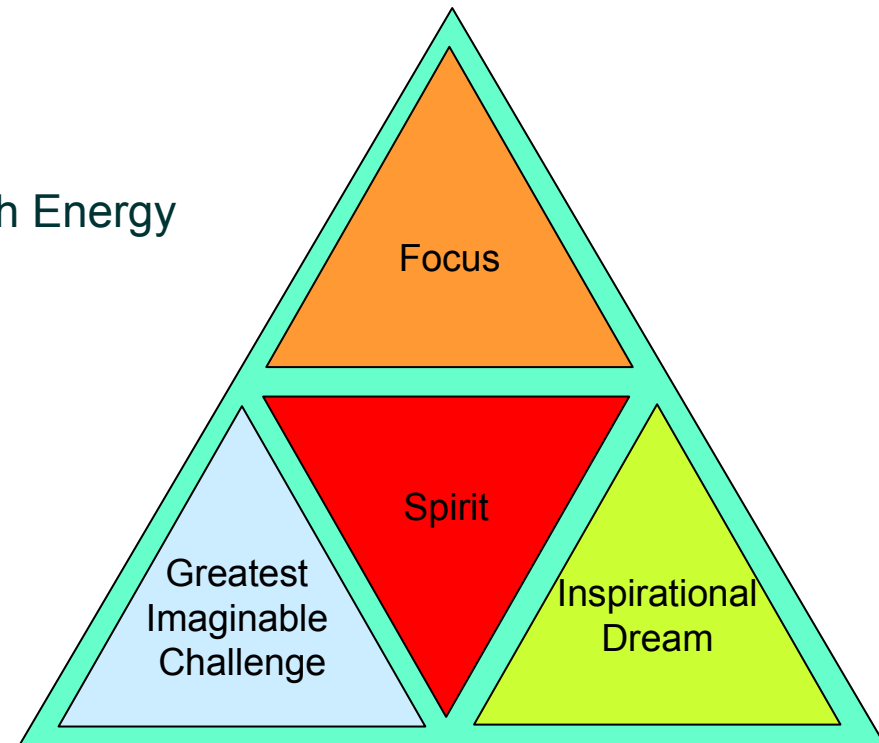
- **Meridian Energy has always had a commitment to being a sustainable company.** To support this, we are committed to generating electricity from renewable resources only.
- At Meridian, **we're up for the renewables challenge** because we believe in New Zealand and we believe in New Zealanders. We're protecting the environment for future generations.
- Meridian's electricity generation is renewable – past present and future. **It's the right thing to do commercially, environmentally and socially.**
- New Zealanders already support renewable generation (EECA survey 2004).



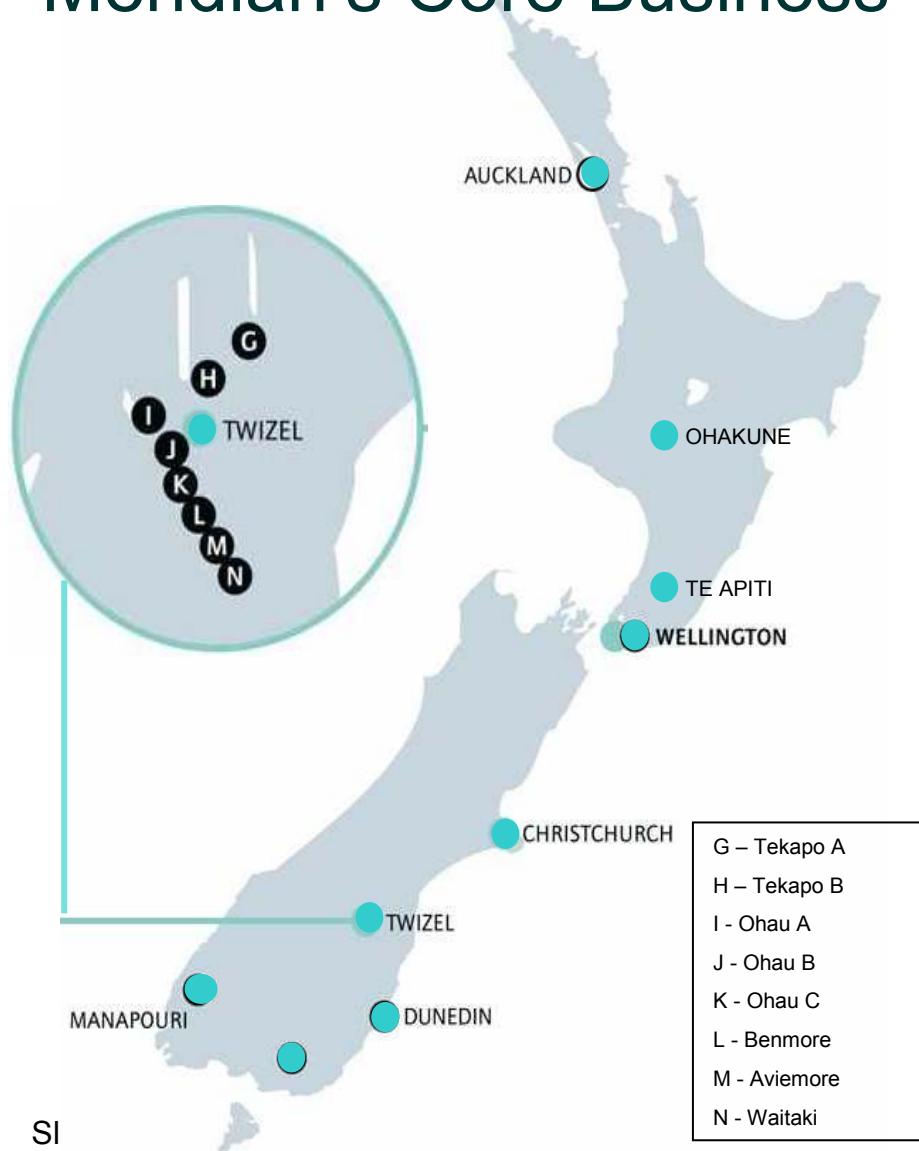
- We're keeping New Zealand new – this means fresh clean and pristine – all the things we love about our country. It also means that **we're innovative; developing new technologies, new ways of operating, and new products for customers.** We're thinking ahead.
- We're proud of our commitment to renewable generation. **We're going to be vocal about it and stand out from the crowd**

Meridian's Purpose

- Spirit - *Who we are*
 - **Enterprising** - Creative in working with Energy
- Focus - *How we will achieve our goals*
 - **Embrace** the Meridian Way
 - building rapport,
 - being agile,
 - commercially driven,
 - forming hot-wired teams,
 - dreaming of innovative solutions,
 - acting on opportunities
- Inspirational Dream - *Why we come to work each day*
 - **Energising** quality of life
- Greatest Imaginable Challenge (GIC) - *What tangible things will we achieve*
 - **The Global Reference Company in Renewable Energy**



Meridian's Core Business



Wind

- Te Apiti (55 turbines)
- Wellington wind turbine
- Whitehill Southland (42 turbines)
- Project West Wind (70 turbines proposed)

Hydro

- 8 hydro generation stations in the Waitaki chain
- NZ's largest hydro station in Manapouri

Co-generation

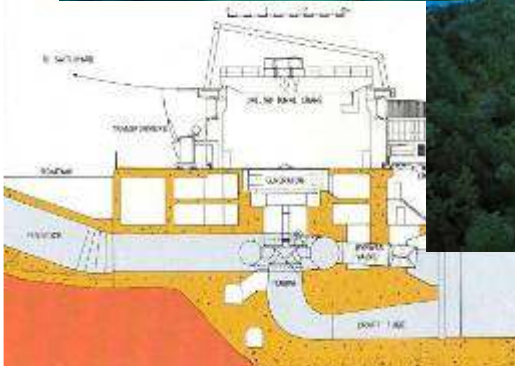
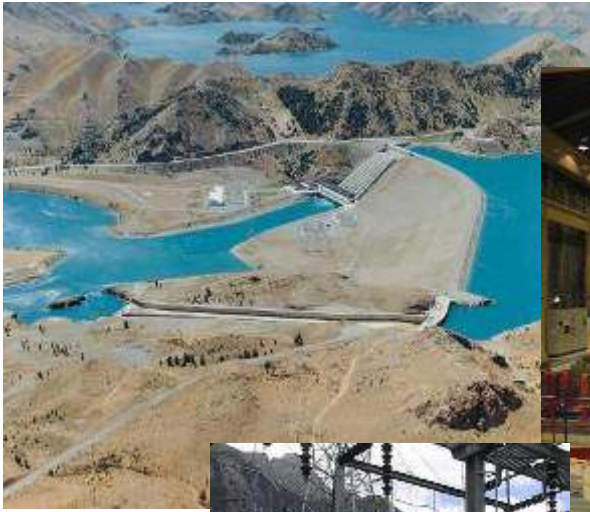
- Dunedin Energy Centre
- Winstone Pulp International (Ohakune)
- Auckland Hospital

Core Business

- Generation, trading and retailing of energy and wider complimentary products and solutions
- Core activities supported by functions for growing the business and delivering corporate and technology requirements
- 200,000 customers across NZ

Carbon Neutral

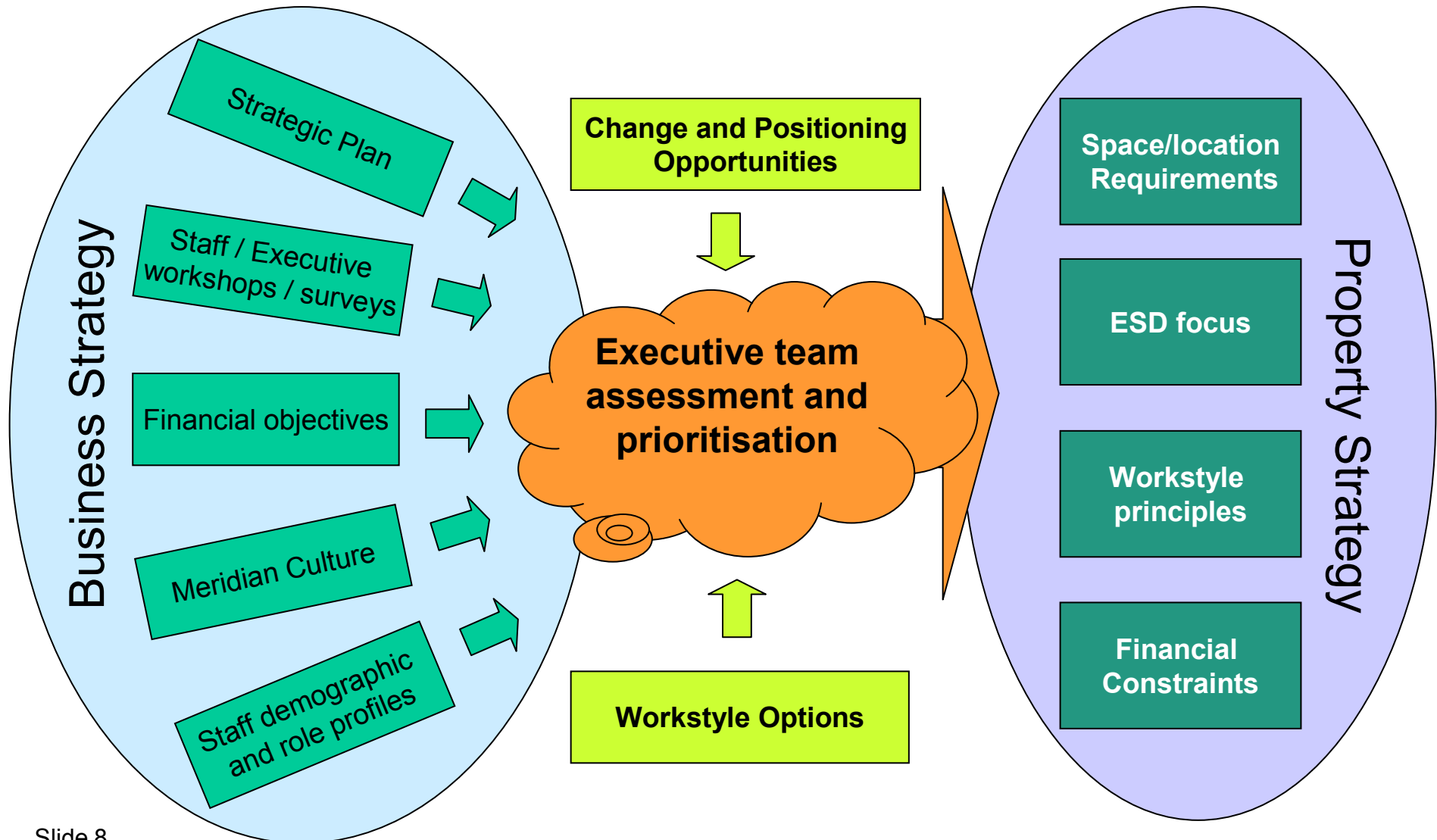
- Only NZ energy supplier with certified carbon neutral electricity – **carboNZero** certification by Landcare



Wellington Office Accommodation Project

- **Tight on Space** - In 2004, current office space (multiple sites) was projected to be insufficient by lease renewal dates so a project was initiated to solve this problem
- **'Walk the Talk'** - Opportunity to align corporate statement using office accommodation as a demonstration of the brand values represented by Meridian
- **Getting Informed** - Process of self education embarked upon before formally approaching the market for a solution:
 - Green Star Professional Accredited Project Manager (Australia being best available practice at the time)
 - Hosting visiting sustainability experts
 - Investigation of other local sustainable building initiatives
 - Engaging New Zealand's leading advisors
- **Going for Goal** - Key Sustainability Goals were established:
 - Demonstrate the significance of the environment to Meridian in its pursuit of renewable electricity generation
 - Reflect Meridian's operational philosophy in its office accommodation
 - Point of Difference
 - Encapsulate Ecologically Sustainable Development (ESD) as one of the important aspects of the project
- **Strategic Framework** - Sustainability Goals set within a structured strategic framework:
 - Balance sustainability with functional requirements and cost effectiveness – **'getting the mix right'**

Business Strategy to Property Strategy Conversion



Workstyle Principles

Business Strategies that impact on Working Environments

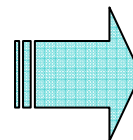
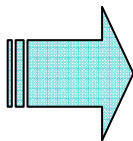
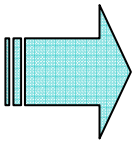
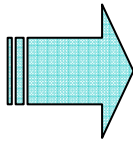
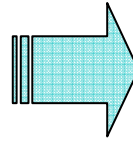
Support future growth strategy

Achieve competitive advantage by doing more with people

Recruiting and retaining the best people

Enhance Meridian's culture

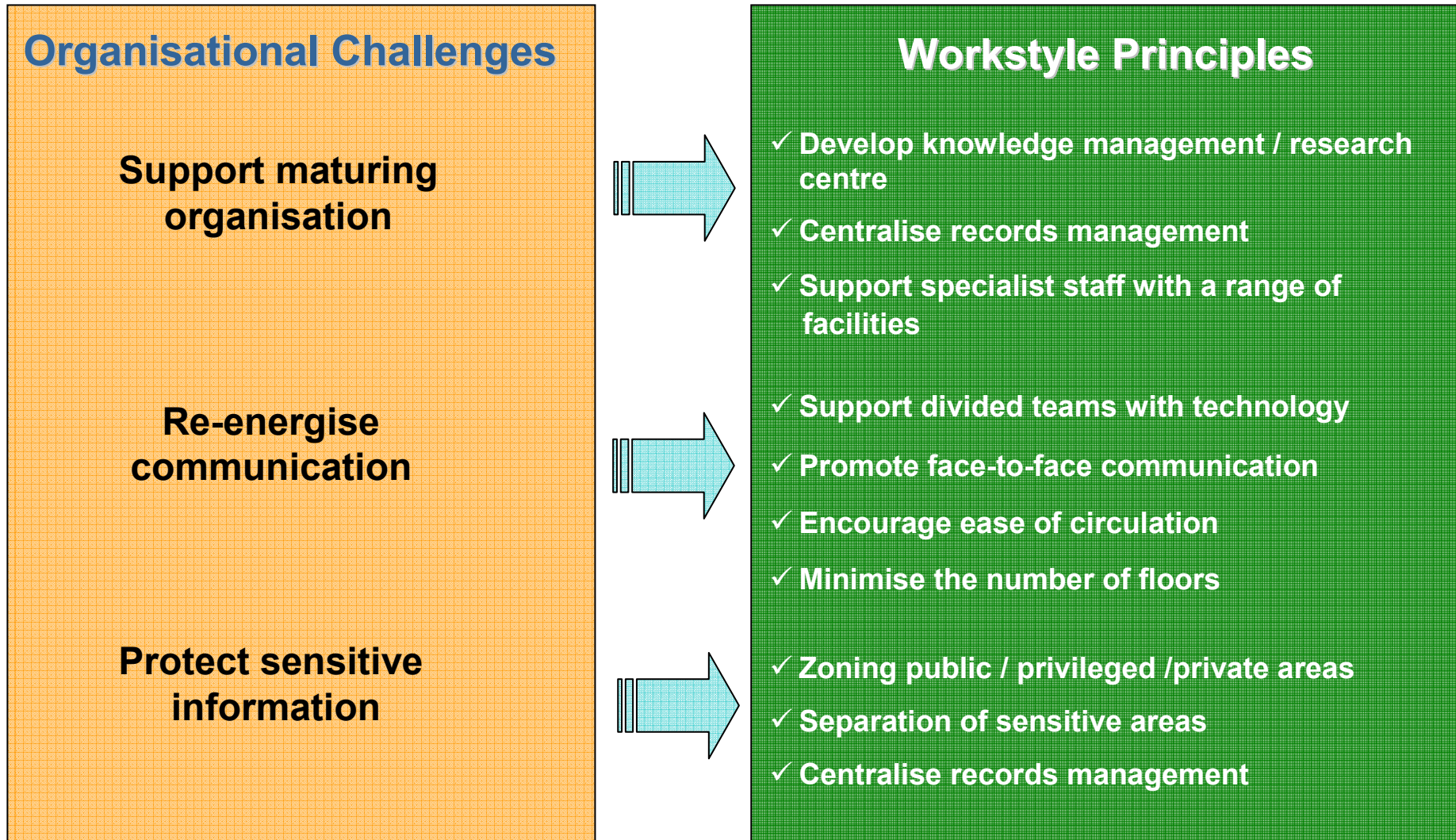
Align accommodation with branding strategy



Workstyle Principles

- ✓ Provide a flexible working environment to accommodate future changes in staff numbers
- ✓ Project space to allow project teams to get out of business as usual
- ✓ Productive work point
- ✓ More informal meeting rooms/collaboration spaces
- ✓ More quiet spaces to work and think
- ✓ Appropriate technology
- ✓ Provide a working environment with a point of difference
- ✓ Support staff work / life balance
- ✓ Appropriate facilities to encourage family participation
- ✓ Encourage communication with open, flexible working environment
- ✓ Create a family friendly working environment
- ✓ Places for staff to unwind
- ✓ Project image of renewable energy and energy efficiency
- ✓ Accommodation is a point of difference
- ✓ Remove clutter and mess

Workstyle Principles



Strategic Framework

‘To achieve the physical embodiment of Meridian Energy’s GIC by providing a work space that sets the standard for ESD, cost effectiveness and user experience’

Vision	Cost effectiveness	User experience	ESD
Goals	Demonstrate the value of ESD in a commercial context	Create a healthy safe and exemplar office building as a point of difference	Leverage our building to align with our brand and Renewables Strategies
Objectives	Total occupation cost neutral or better compared to a conventional (non ESD) commercial office development over a 20 year period	Office environment that improves user satisfaction to at least +5% A “wowness” factor	Energy usage of 80kwh/m ² /pa – 31kgCO ₂ /m ² /pa Water usage of 0.16m ³ /m ² /pa 4 ½ + Green Star
Defining Aspects	Cost Programme Commercial terms	Working Environment Indoor Environment Quality Aesthetics Amenities	Energy Efficiency Water Conservation Materials Management & Operations Star Rating

Observations

- **Corporate Responsibility** - Initiative can be seen as a demonstration of Corporate Responsibility
 - Has required all market players to be pushed to varying degrees
 - Designers
 - Developers
 - Construction
 - An example of tenant led demand for sustainable buildings – it just makes sense!
- **Challenge the Market** - The challenge to the market was to deliver a building solution that met the Meridian performance specification 100% without compromising one aspect over another
 - Cost effectiveness
 - User experience
 - ESD
- **On target** - On paper this has been achieved
 - Much to the surprise of many observers!
 - Has yet to be proven in actual performance
- **Raising the Bar** - Objective is that it will become common knowledge that:
 - **“That’s the Meridian Building – you know, the environmentally friendly one!”**
 - Certainly within the property industry this would appear to have been achieved already
 - We are looking forward to broad recognition as the building project progresses and we occupy the new office
 - Sustainable thinking is good business – its more than just an office

Key Messages



🌍 An ecological approach – It Just Makes Sense

- ✓ Economic
- ✓ Environmental
- ✓ Social

🌍 Sustainable thinking

- ✓ Showcase how a commercial building can be both ecologically sustainable, highly energy and water efficient, and be very productive as a work environment.
- ✓ Wherever possible, building materials with recycled content or certified sustainability are being used and environmentally damaging materials are being minimised or eliminated.

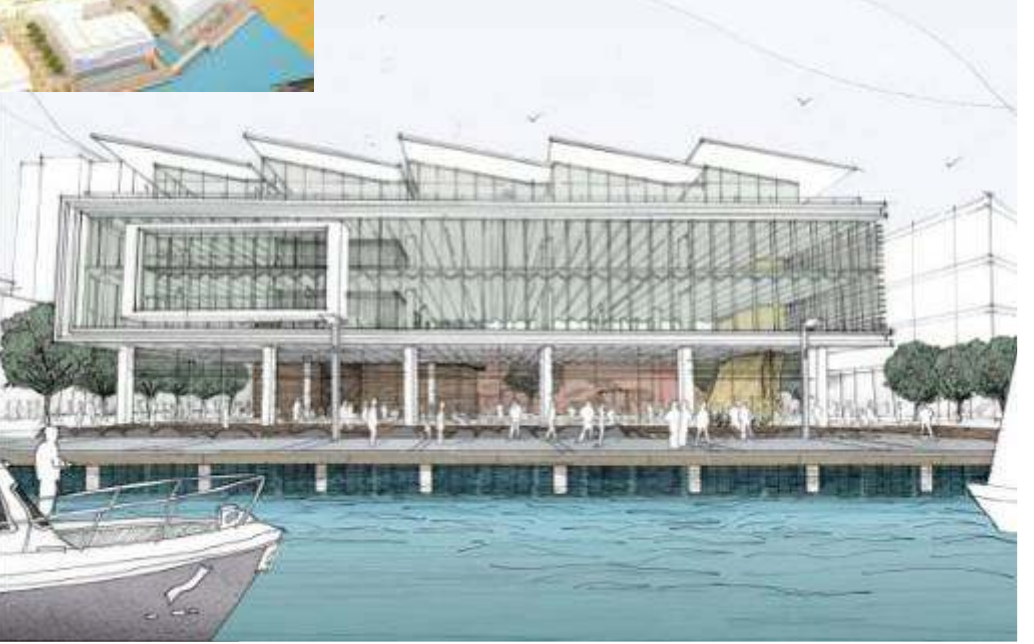
🌍 Setting new energy efficient and water conservation standards

- ✓ we want this building to achieve the highest energy efficiency rating and use the least potable water of any commercial office building in New Zealand

Need More Information

🌐 See the following websites:

- ✓ New Zealand Green Building Council – Case Study
http://www.nzgbcservices.org.nz/resources/NZGBC_Newsletter_July_2006.pdf
- ✓ Ministry for the Environment – Case Study (Performance Specification)
<http://www.mfe.govt.nz/publications/about/signals/issue8.html#meridian>
- ✓ Manaaki Whenua Landcare Research – Environmental Research Services
<http://www.landcareresearch.co.nz/index.asp>
<http://www.carbonzero.co.nz/>
- ✓ Meridian Energy Limited
<http://www.meridianenergy.co.nz/aboutus/newwellingtonoffice/default.htm>







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