

Update from the Chair

August 2025

Huntly announcement leaves the door open to political intervention

The agreement is a welcome first step, but it does not go far enough

MEUG welcomed the [announcement](#) earlier this week that our four largest generators have reached agreement to extend the life of the third Rankine unit at Huntly (subject to Commerce Commission [approval](#)). The agreement is critical to security of supply, ensuring the third Rankine unit is not decommissioned early next year. Alongside maintaining a large stockpile of coal, it will mean firming capacity is not significantly reduced. In that sense it is an important first step.

It is critical that the agreement must not chill new generation build. The current generation pipeline needs to continue to be built, otherwise we will have another lost decade.

If people were expecting or hoping the talks between the large generators would solve our inadequate firming capacity, they would be disappointed. In terms of firming capacity, the agreement means we will not be worse off next year than we are right now. In that sense, the agreement arguably represents the absolute minimum that could have been expected. Failure by our large generators to keep all three Rankine units operational would have been an open invitation for substantive political intervention – not just in firming but more broadly, as it would have provided ammunition to critics arguing that the sector was incapable of resolving even seemingly simple issues.

More needs to be done on firming – a fact that our large generators acknowledge. When our economy starts growing again, we will need more of it. And, when daily winter peak demand tends to be between 9 and 12.5 GWh, ensuring a single 240 MW Rankine unit stays operational does not substantively shift the dial. What we have not seen the sector clearly articulate is how we will increase firming capacity as generators, large and small, make us increasingly reliant on highly intermittent renewables.

In an environment where our large generators often caution against radical political intervention, the fact the sector has not developed a solution to the firming problem means the door remains open to political intervention. It is expected the Frontier Economics report currently before ministers will focus on firming as a critical part to delivering more affordable electricity in the future. If that is so, the report likely provides our politicians with all the rationale they will need to intervene, should they be minded to do so.

In that sense, this week's announcement regards Huntly could come to be seen as a missed opportunity.

Key dates

What's on	Who	When	Notes for members
Conference: Building Nations	Infrastructure NZ	6 – 7 August	The Building Nations 2025 conference discussing New Zealand's infrastructure sector was held in Wellington. A panel discussion on electricity market settings was held on day one.
Conference: Gas Users Forum	BEC / Optima	8 August	Forum for medium and small-scale industrial natural gas users, held in Auckland
Seminar: Demand forecasting seminar	Auckland University	12 August	The Energy Centre at the University of Auckland is holding a seminar on Electricity Demand Forecasting (register here).
Submission: Enabling consumer mobility	Electricity Authority	12 August	The Authority is seeking feedback on its proposal to standardise how electricity product data is exchanged through an improved suite of Electricity Information Exchange Protocols (EIEPs).
Submission: Promoting reliable electricity supply	Electricity Authority	12 August	The Authority are seeking feedback on a Code amendment proposal that would ensure the System Operator has timely access to accurate information about assets connected to the power system
Webinar: Customer and Stakeholder webinar	Transpower	13 August	Transpower's customer and stakeholder webinar will be held on Wednesday 13 August from 1:30 - 2:30pm. The theme for the August webinar will be 'Delivery in action'.
Event: Energy awards	Freeman	13 August	The annual Energy Excellence Awards will be held in Wellington on 13 August.
Submission: Tie-breaker provisions	Transpower	14 August	Transpower is seeking feedback on how tie-breaker situations should be resolved for multiple competing offers in the wholesale electricity market.
Submission: Imagining Aotearoa in 2050	Transpower	14 August	As part of its Te Kanapu - Designing a future grid blueprint for Aotearoa project, Transpower is seeking views on the future of our economy and the role that energy will play.
Meeting: MEUG Executive Committee meeting	MEUG members	18 August	Online meeting, with Transpower and the Commerce Commission giving presentations.
Submission: Future system operation project	Electricity Authority	19 August	The Authority are seeking feedback on three alternative models for distribution system operation (DSO) to inform its decision making and next steps.
Cross submission: Tie-breaker provisions	Transpower	21 August	Transpower is welcoming cross submissions on how tie-breaker situations should be resolved for multiple competing offers in the wholesale electricity market.
Webinar: Quarterly update	Electricity Authority	21 August	The Authority is holding its next quarterly update at 11.00 am on 21 August (register here).
Submission: Draft Fuel Security Plan	MBIE	25 August	The Ministry of Business, Innovation and Employment (MBIE) would like feedback on the draft Fuel Security Plan , which sets out the steps the Government is taking to make New Zealand's fuel system more resilient and secure
Conference: Wind Energy Summit	NZWEA	26 – 28 August	The 2025 Wind Energy Summit will be held in Wellington.
Submission: Huntly firming option authorisation	Commerce Commission	27 August	The Commerce Commission has received an application from the four largest electricity generator-retailers (the Gentailers) seeking authorisation to enter into and give effect to a series of arrangements referred to as the Strategic Energy Reserve Huntly Firing Option. Authorisation is sought until 31 December 2035. Feedback is sought on the Statement of Preliminary Issues
Submission: Emergency Reserve Scheme	Electricity Authority	28 August	The Authority is seeking feedback on its rationale and high-level design for an Emergency Reserve Scheme to unlock industrial demand flexibility and boost security of New Zealand's power supply ahead of next winter.
Submission: TPM amendments	Electricity Authority	29 August	The Authority is consulting on two proposed technical amendments to the transmission pricing methodology (TPM).