

PRESS RELEASE – 24 January 2025

Major Electricity Users' Group welcomes new Minister of Energy

The Major Electricity Users' Group (MEUG) congratulates Minister Simon Watts on his appointment to the Energy portfolio and thanks the outgoing Minister Simeon Brown for his work in the sector.

Executive Director Karen Boyes says MEUG looks forward to collaborating with the new Minister to ensure New Zealand enjoys an affordable, reliable electricity supply that supports a productive economy, enables competitive pricing for businesses, grows export revenue, and drives job creation.

“Wholesale electricity prices have more than doubled in the last five years, with the Electricity Authority estimating consumers are paying between \$1 billion and \$2 billion a year more than expected in a workably competitive market, impacting businesses of national and strategic importance to New Zealand such as steel, aluminium, pulp and paper, and the dairy industry.

Fuel security issues, low lake levels, and high market prices during winter 2024 have impacted fair and consistent electricity prices for many businesses – including the 25,000 people employed by MEUG's members.

With forecasts predicting further increases in electricity prices this year, MEUG urges Minister Watts to progress the work of the Energy Competition Task Force and the Electricity Market Review announced last year by Ministers Brown and Jones to improve New Zealand's electricity market and ensure security and affordability.”

Boyes says that by holding both the Energy and Climate Change portfolios, Minister Watts' appointment will help establish a clear direction for the energy sector as New Zealand transitions to a low-carbon future economy.

“As we increase renewable generation in our system, electricity supply must remain secure, reliable, and affordable to facilitate an effective transition. We are encouraged by Prime Minister Christopher Luxon's ambitions to “flood electricity into a market badly in need of more generation”.

As intermittent wind and solar generation increases, the electricity system must ensure it can still provide a stable and consistent supply. Clarity is still needed on the role of gas in the foreseeable future and the optimal mix of renewable electricity generation the market can deliver.

We hope the Minister provides a clear direction for the sector and ensures predictable and consistent settings so businesses can assess risks and invest appropriately.”

MEUG looks forward to working with the Government to ensure a resilient, modern, and affordable electricity market, building the foundation for New Zealand's highly productive economic future.

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Media enquiries: Karen Boyes, MEUG Executive Director
027 472 7798
karen@meug.co.nz