

Update from the Chair

February 2025

How much change will we see in 2025?

We are not sure what 2025 will bring for the electricity sector. Following the energy crisis of last year, the Government has made it clear that any repeat will not be tolerated. In that sense, the gentailers are on notice. They have secured thermal supply and, currently, hydrology is looking okay. And we have a new Minister who is new to the portfolio.

Assuming a weather-related supply crisis is averted, one focus will be on how far reforms initiated last year will go. The natural inclination of the sector tends towards slow, incremental reform that refines, rather than changes, the status quo.

In the context of rising electricity prices, however, the Government will likely want to be seen to be doing something. Households will experience the first uplift in transmission and distribution charges this year, with more to come. If international experience is anything to go by, integrating new renewable generation into the network will drive further price increases (assuming new generation is actually built), as will rising carbon prices. Having been elected, in part, off the back of a cost-of-living crisis, this is not an attractive scenario.

And 2025 is the year of delivery in the Parliamentary cycle, so the Government can go into election year on the back of having delivered on the promises that it was elected on. Many of the Government's promises depend on reducing cost pressure on households and businesses and stimulating economic growth. One of the strongest correlations in macroeconomics is between energy consumption and economic growth. Put simply, the more energy an economy uses, the more products it makes for consumption and export. But for the last 7 – 8 years, many manufacturers have been trying to limit energy use because of high prices that render them uncompetitive. The electricity sector has arguably been a brake on the economy. That will need to change if the Government is going to deliver on policies like doubling exports.

Is there a genuine will to reform?

Yet questions remain on the appetite of decision-makers to genuinely reform. Our regulators are bullish, but that bullishness is against a backdrop where they have arguably shied away from genuine reform for years. Take Electric Kiwi's complaint to the Commerce Commission in 2023. The Commission passed it off to the Electricity Authority and the Authority immediately narrowed the scope of the complaint to look at whether affordable hedges were available. After the Authority's Wholesale Market Review found evidence of a lack of competition and higher wholesale prices, the Authority stated those findings raised difficult questions without easy answers, and they would focus their attention on other issues.

On the political front, Ministers have been reasonably clear that the work of the Commission and Authority Taskforce is about as far as they want to go, unless their hand is forced. Where we ultimately land in 2025 is anyone's guess.

Key dates



What's on	Who	When	Notes for members
Holiday: Waitangi Day	All	6 Feb	Public holiday.
Submission: Offshore renewable energy regime	Select Committee	6 Feb	The Transport and Infrastructure Select Committee is consulting on the Offshore Renewable Energy Bill , which establishes a legislative regime to govern the construction, operation, and decommissioning of offshore renewable energy developments.
Submission: Review of the Commerce Act	MBIE	7 Feb	The Government is reviewing the Commerce Act 1986 to ensure our competition settings remain fit for purpose. The consultation paper focuses on three topics: the merger control regime, tools to address anti-competitive conduct, and potential new industry rule-making powers.
Meeting: MEUG member meeting	MEUG members	11 Feb	First in-person MEUG Executive Committee meeting of 2025. Guest speakers include the Electricity Authority, the Commerce Commission and the Ministry of Business, Innovation and Employment (MBIE).
Event: Back to Business Function	BusinessNZ	11 Feb	Business New Zealand's annual Back to Business function in Wellington.
Submission: Draft minerals programme	NZPAM	11 Feb	NZ Petroleum & Minerals is consulting on its draft programmes for minerals and petroleum.
Webinar: Energy Awards tips	Freeman media	12 Feb	Freeman media is running a webinar for any parties interested in entering or learning more about the New Zealand Energy Excellence Awards . Register here .
Cross-submission: Amendments to Input Methodologies	Commerce Commission	12 Feb	The Commerce Commission is seeking cross-submissions on its draft reasons paper on proposed amendments to input methodologies for electricity distribution businesses and Transpower, mostly relating to reopeners.
Release: Energy Competition Task Force papers	Electricity Authority	12 Feb	The Authority will publish Energy Competition Task Force consultation papers for Package Two initiatives 2A, 2B and 2C on the Electricity Authority website at 8am on Wednesday 12 February. They will also host a webinar for anyone interested on the same day (register here). The consultation papers will set out proposals to better enable consumers to manage their electricity use and costs and to harness the power of rooftop solar and batteries.
Submission: Upper South Island upgrade project	Transpower	14 Feb	Transpower is consulting on a short-list of possible electricity infrastructure investments for the upper South Island, to ensure a reliable power supply for the future.
Event: Energy Economics	University of Auckland	17 – 19 Feb	The Energy Centre's Summer School in Energy Economics takes place the week before the start of Semester One each year, at the University of Auckland Business School. The Energy Centre is supported by the Energy Education Trust of New Zealand.
Submission: Thermal fuel information	Electricity Authority	18 Feb	The Authority is consulting on a proposal to improve the collection and publication of information on the availability of thermal fuels. Information about the thermal fuel availability is critical for understanding security of supply risks.
Event: Quarterly update	Electricity Authority	20 Feb	The Authority is hosting its next quarterly update webinar on 20 February, providing an update on the Authority's priority projects and focus for the first quarter of 2025. Register here .
Submission: Statement of Issues: Contact / Manawa	Commerce Commission	21 Feb	The Commerce Commission has published a Statement of Issues relating to the application from Contact Energy Limited seeking clearance to acquire up to 100% of the shares in Manawa Energy Limited.
Event: Outages workshop	Transpower & Electricity Authority	27 Feb	The Authority and Transpower will be hosting a workshop focused on communications around official conservation campaigns and rolling outages.
Meeting: Security and Reliability Council	Electricity Authority	27 Feb	Meeting of the Security and Reliability Council (SRC). See recent news story on re-appointments / appointments to the SRC.
Submission: Power purchase agreements	Electricity Authority	28 Feb	The Authority is seeking feedback on their working paper Entrant generators – context, headwinds and options for power purchase agreements which examines what the Authority could do to improve settings in relation to power purchase agreements (PPAs). This is one of the eight initiatives being considered by the Energy Competition Task Force.
Cross-submission: Statement of Issues: Contact / Manawa	Commerce Commission	28 Feb	Cross submissions are due on the Statement of Issues relating to the application from Contact Energy Limited seeking clearance to acquire up to 100% of the shares in Manawa Energy Limited.