

PRESS RELEASE – 12 September 2025

For second year running, industry struggles with double-digit power price hikes

The Major Electricity Users' Group (MEUG) says industry cannot keep absorbing double-digit price increases in the cost of power.

According to data collated by the Ministry of Business, Innovation and Employment, electricity for industrial consumers cost 21 percent more in the year to March 2025 compared to the previous 12 months (from 18.63 cents a unit to 22.62 cents per unit)¹.

The latest increase came on top of a 12.5 percent jump in prices for industrial consumers in 2024 compared to 2023.

"It's little wonder that many are warning about de-industrialisation" says Karen Boyes, MEUG Executive Director. "For many industries, electricity is a major cost of operating their business, and they simply cannot keep absorbing increases of this magnitude."

Looking at prices over two years, the MBIE data shows that industrial consumers were paying, in real terms, 36.5 percent more for their power. Stripping away inflation, industry was paying 45 percent more for its power.

"Looking ahead, MBIE has yet to measure prices that will include the significant lines charge increases from 1 April 2025, so it's highly likely there will be another double-digit price hike in the current March year. If this goes on, more businesses will close.

"The Government has the opportunity to drive real change through the decisions it takes on the final report from Frontier Economics, which is due around the end of this month.

"Electricity prices are too high. We need to ensure that prices over time track down towards the Long Run Marginal Cost (LRMC) of new generation – since 2018, there has been a discernible and increasing gap between wholesale contract prices and estimated LRMC," Boyes concluded.

The [Major Electricity Users' Group](#) (MEUG) represents the interests of large electricity consumers in New Zealand. MEUG advocates for policies ensuring a reliable, affordable, and sustainable electricity supply, benefiting its members and the wider community.

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¹ [MBIE energy price data tables, Table 5 \(nominal\) and Table 6 \(real\), line 34](#)