

PRESS RELEASE – 19 June 2025

## **Major Electricity Users' Group welcomes next steps towards Huntly firming deal**

The Major Electricity Users' Group (MEUG) applauds today's progress towards a more secure electricity system but warns much more is needed to maintain security of supply to consumers, said MEUG Executive Director Karen Boyes.

"MEUG welcomes Genesis Energy signing a non-binding agreement with three gentailers to potentially retain the Huntly power station's Rankine units to back up or 'firm' the electricity system.

"We expect the four parties involved to continue their progress and conclude a final agreement before November this year, so that the Rankine units are available during the winter of 2026.

MEUG has been calling for decisive action on maintaining sufficient flexible firming generation, which is needed to firm against dry-year risk and the increasing level of intermittent wind or solar renewable electricity generation.

"While the generators are yet to make a final agreement, and today's signing is non-binding, it demonstrates good faith and a clear commitment by the parties, as they progress to agree and execute long-form agreements", Boyes says.

Looking forward, MEUG members are awaiting the release of a government-commissioned review of electricity markets.

"The Government has the opportunity to drive real change through the decisions it takes on the final report from Frontier Economics which is due soon. This independent review will look at whether current regulations and market design support economic growth and access to reliable and affordable electricity, and covers many factors that impact the sector, and the resulting prices that consumers pay."

In addition to maintaining flexible firming generation from generators such as Huntly, the government should also focus on:

- **Single party oversight of security of supply:** "At present the responsibility for security of supply of our electricity system is spread across multiple parties, with no clear line of accountability. There must be one party in government or the electricity sector that is responsible for the oversight of security of supply across the entire system."
- **Delivering internationally competitive prices:** "Electricity prices are far 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.
- **Affordability of risk management options for consumers:** "The Government needs to ensure that large consumers can access hedges - agreements on buying electricity in the future - at affordable, fair and internationally competitive prices that enable them to compete internationally," Boyes says.

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.

### **ENDS**

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