



PRESS RELEASE – 25 February 2026

MEUG welcomes government move to leverage public sector energy demand

The Major Electricity Users' Group (MEUG) has welcomed the Government's announcement that it will pursue long-term Power Purchase Agreements (PPAs) across the public sector to help unlock new generation and strengthen energy security.

MEUG Executive Director Karen Boyes said the initiative is a practical and constructive step toward increasing much-needed electricity supply — and one that MEUG has long advocated for.

"MEUG strongly supports the Government with this initiative. It is good to see action that will bring more supply to the market and provide the investment certainty needed to get projects built," Ms Boyes said.

Ms Boyes noted that MEUG had previously led a collective PPA initiative — the Renewable Energy Generation Project — involving a group of New Zealand's largest energy users.

"That project sought to procure a proportion of participating companies' electricity from new renewable generation via PPAs, potentially including geothermal, solar and wind developments. We ran two rounds, in 2020 and 2023, to test market appetite and demonstrate demand for new supply," Ms Boyes said.

"The concept is straightforward — aggregated, long-term demand can underpin investment in new generation. It's encouraging to see the Government now applying similar principles across the public sector."

Ms Boyes said MEUG had raised the importance of facilitating long-term PPAs with both the previous and the current government. "We have consistently said that increasing supply is one of the most effective ways to put downward pressure on electricity prices."

As the government has a high credit rating and is able to commit to long term purchase arrangements (5 – 10 years or more), a long-term purchase arrangement for a share of the power generated provides strong backing for new projects, Boyes says.

"Greater supply is the key to restoring confidence in New Zealand's electricity market. Long-term PPAs can provide developers with the certainty they need to commit capital, while delivering better value and price stability for taxpayers and consumers," Ms Boyes said.

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About the Major Electricity Users Group

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.