

8 May 2026

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Dear Stephen

## **HVDC undersea cable decommissioning**

1. The Major Electricity Users' Group (MEUG) welcomes the opportunity to provide brief feedback to Transpower on its consultation paper "*HVDC undersea cable decommissioning: Options for the existing in-service undersea electricity cables once they are decommissioned*"<sup>1</sup> published on 13 April 2026.
2. This submission does not contain any confidential information and can be published on the Transpower's website unaltered. Members may lodge separate responses.

### **Need to balance technical and environmental factors with affordability**

3. MEUG welcomes Transpower requesting feedback from stakeholders on how the existing undersea cables should be managed once they are decommissioned, before it proceeds with its decision and potentially seeks approval from the Commerce Commission. We believe there are several factors that need to be carefully considered and balanced, with no clear preferred option at present. MEUG notes that:
  - It makes technical and logistical sense to plan for the removal of the existing cables alongside the installation of the new undersea cables, given the considerable effort required for a project of this scale and the reliance on specialist equipment and vessels.
  - Transpower should take all practicable steps to avoid any ecological risks or damage that could arise from the exposure and degradation of cable materials, as a responsible infrastructure owner and in line with its resource consents. There are also benefits from the recovered cable materials being able to be processed and recycled, where possible.
  - However, this work does come at a cost of approximately \$131.8 million (real 2025 dollars)<sup>2</sup>, in addition to the significant investment already required for the HVDC link upgrade project. Consumers are already facing significant increases in electricity costs, driven by increases in not only transmission charges, but also increases in distribution charges and generation costs passed through by retailers.

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<sup>1</sup> [https://static.transpower.co.nz/public/2026-04/Consultation%20-%20HVDC%20undersea%20cable%20decommissioning%20-%20April%202026.pdf?VersionId=JAoHfP2s2LbzcSrS5qknh3\\_umENJ\\_OtH](https://static.transpower.co.nz/public/2026-04/Consultation%20-%20HVDC%20undersea%20cable%20decommissioning%20-%20April%202026.pdf?VersionId=JAoHfP2s2LbzcSrS5qknh3_umENJ_OtH)

<sup>2</sup> Page 10 of the consultation paper.

4. This raises broader questions for both Transpower and the Commerce Commission (in its role approving major capex projects and the revenue that can be recovered from consumers), when considering network investments. The technical, security and economic aspects of projects are often well quantified, but sufficient weight is not given to the customers who must bear this cost, and the affordability impacts it may have on consumers, both businesses and residential households.

### Next steps

5. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at [karen@meug.co.nz](mailto:karen@meug.co.nz).

Yours sincerely



**Karen Boyes**  
Major Electricity Users' Group