



14 November 2025

John Clarke
Executive General Manager Future Grid
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Sent via email: feedback@transpower.co.nz

Dear John

Potential Scenarios – Te Kanapu

1. This is a brief submission from the Major Electricity Users' Group (MEUG) on Transpower's consultation paper "*A future grid blueprint for Aotearoa – Potential scenarios*"¹ published in October 2025.
2. MEUG members have been consulted on the approach to this submission. This submission does not contain any confidential information and can be published on Transpower's website unaltered. Members may lodge separate submissions.

Welcome development of scenarios for next stage of grid blueprint

3. The Major Electricity Users' Group (MEUG)² represents 13 large industrial and commercial businesses operating across New Zealand, who generate over \$30 billion in revenue per annum and directly employ tens of thousands of people who produce essential products, including pulp and paper, steel, meat, dairy products, and services such as cold storage and datacentres. Electricity is a key input for our members' businesses, supporting a dynamic and productive economy.
4. Our members connect to the electricity system at hundreds of locations, either directly into the transmission system or to the 29 electricity distribution networks across the country. Given our breadth of membership, we have focused our comments at the national level.
5. MEUG supports Transpower's Te Kanapu initiative targeted at delivering a future grid blueprint for Aotearoa, and welcome Transpower's openness to seeking broad input from all New Zealanders. MEUG supports the use of scenarios to help develop this blueprint – this approach has been used in numerous government and sector workstreams and provides a robust way to test different assumptions and plausible futures.

¹ https://static.transpower.co.nz/public/uncontrolled_docs/Te%20Kanapu%20Consultation%20%20-%20Potential%20Scenarios.pdf?VersionId=W4_GZtFzWatOrgnkkgcZ0op3nLZsoYU7

² More background detail on MEUG is available here: <https://backend.meug.co.nz/assets/Uploads/27588-MEUG-Members-Digital-Brochure-A4-Updates-Sep25-150dpi.pdf>

6. MEUG has the following general comments on this consultation document:

- We agree with the call for a nonpartisan approach to this work, with the intent to provide a level of certainty that will aid the electricity sector and businesses to plan effectively for the future.
- We agree that by setting an assumption of economic growth, this will enable Transpower to forecast the largest possible demand across the electricity system, and the type of infrastructure needed to meet this. This enables Transpower to then scale back its blueprint, if energy demand or economic growth is less than forecast.
- MEUG supports the description of *Scenario 4 – Made in Aotearoa*, as a future where New Zealand builds upon our natural advantages and can grow our economy across both existing and emerging industries. We support this scenario including the establishment of “energy precincts”. New Zealand Steel’s site at Glenbrook, which will host Contact Energy’s 100 MW battery,³ is another example of this trend of co-locating industry and generation, in areas that are already zoned for industrial activity.
- We support Transpower seeking out the best and most current data to inform this work, including Treasury data, EECA’s energy use database and updating the costs of the generation stack. The cost of some generation technologies continue to decrease quickly, while we note that there is also an increasing global demand for renewable energy infrastructure and resources, impacting its supply.
- We generally agree that New Zealand will move to a more decentralised energy system, while generators will still seek to develop some large scale, single size generation assets, where the projects are economic and well located (i.e. more geothermal projects).
- We agree the demand side flexibility will play a key role going forward, but caution Transpower not to unduly overestimate its contribution to the system, particularly in the short term. We agree with the view put forward in Fonterra’s submission⁴ to Transpower on the SOSFIP, that “*many industrial users are now choosing to cover financial risk exposure by moving to fixed price contracts, thereby eliminating any driver to provide demand response to price signals*”. We are yet to see development of effective demand response market mechanisms or a significant number of bi-lateral agreements,⁵ that would see demand response deployed in large volumes before 2030.
- MEUG welcomes detail on the role of data centres in the five different scenarios, noting that both Amazon Web Services and Datagrid New Zealand are MEUG members. We encourage Transpower to review a recent report released by NZTech, *Empowering Aotearoa New Zealand’s Digital Future – Our National Data Centre Infrastructure*,⁶ which looks at the economic, environmental, and social impact of the fast-growing data centre sector (if not already incorporated into this work).
- We support Transpower undertaking direct modelling of large industrial sites such as New Zealand Steel’s Glenbrook site, where more granular forecasts are available to inform the work.

³ <https://contact.co.nz/about-us/sustainability/our-projects/glenbrook-ohurua-battery>

⁴ <https://static.transpower.co.nz/public/bulk-upload/documents/Fonterra%20Submission%20-%20SOSFIP%20Review%202025.pdf?VersionId=9IFb8gnTzmTnjJBBrBoPPZTZ5U579gbrS>

⁵ Like that entered into with NZAS and Meridian / Contact.

⁶ <https://nztech.org.nz/reports/empowering-aotearoa-new-zealands-digital-future-our-national-data-centre-infrastructure/>

Next steps

7. MEUG would welcome the opportunity to meet with Transpower again in early 2026 to discuss progression of this work. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



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