



PRESS RELEASE – 4 August 2025

Major electricity users back strategic energy reserve deal but question whether it's enough

The Major Electricity Users' Group (MEUG) is applauding progress towards a strategic energy reserve but is asking the question: will it be enough.

"Major electricity users are pleased that Genesis, Mercury, Meridian, and Contact have agreed to use the Huntly Power Station to back up New Zealand's embattled power system," says Karen Boyes, MEUG Executive Director.

"Both the real time firming and solid fuel reserve will help when New Zealand generation is struggling to meet peak demand, or when hydro lakes are low.

"Well done to the four large generators for their initiative to establish crucial thermal back up, and we wish them well in their efforts to gain approval from the Commerce Commission."

"However, we note that the firming deal is for 150 megawatts, which is a relatively small amount compared to winter peak demand of around 7,000 MW.

"MEUG will be asking about the potential impact of the firming deal on supply, and therefore the impact on prices in the wholesale electricity market.

"And while the coal reserve of 600,000 tonnes sounds impressive, market participants would like to know how much electricity this will create, especially in the context of New Zealand demand of about 40,000 gigawatt hours.

"While MEUG supports today's announcement, we doubt they are enough, so encourage generators and regulators to keep working on solutions to support peak load and dry year risk.

"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.

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

The [Major Electricity Users' Group](https://meug.co.nz) (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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