



COVERSHEET

Minister	Hon Simon Watts Hon Shane Jones	Portfolio	Energy Resources
Title of Cabinet paper	Electricity market performance review	Date to be published	12 February 2025

List of documents that have been proactively released

Date	Title	Author
November 2024	Electricity market performance review	Office of the Minister for Energy and Resources
6 November 2024	Electricity Market Performance Review ECO-24-MIN-0245 Minute	Cabinet Office

Information redacted

YES / NO (*please select*)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Electricity Market Performance Review

Portfolio **Energy / Resources**

On 6 November 2024, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that New Zealand's electricity system has recently experienced a period of particularly high prices, and that these prices have had a significant impact on New Zealand's industrial base;
- 2 **noted** that New Zealand must have internationally competitive energy and electricity prices, and that firms must be able to invest with the confidence that New Zealand will have internationally competitive energy and electricity prices;
- 3 **noted** that there are a number of workstreams underway relevant to the electricity and energy system;
- 4 **noted** that while these workstreams are all necessary, they are not sufficient to ensure the electricity system is fit for purpose for the next decade;
- 5 **agreed** to undertake an electricity market performance review focusing on the following, as outlined in the terms of reference attached to the paper under ECO-24-SUB-0245:
 - 5.1 investment and access to capital;
 - 5.2 hedging;
 - 5.3 market rules and competition;
 - 5.4 management of risk;
 - 5.5 market institutions;
 - 5.6 performance monitoring of the market;
- 6 **agreed** that the review be undertaken by suitably qualified experts with expertise and experience in electricity markets in comparable countries, but also with access to experts in New Zealand's electricity market and regulatory system;
- 7 **noted** that the review is intended to be completed by June 2025;

- 8 **authorised** the Minister for Energy and the Minister for Resources to amend the terms of reference in line with the decisions above, including after initial engagement with the review team;
- 9 **invited** the Minister for Energy and the Minister for Resources to report to ECO in June 2025 on the outcomes of the review and the proposed process to follow.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour (Chair)
Hon Shane Jones
Hon Brooke van Velden
Hon Simeon Brown
Hon Eric Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Tama Potaka
Hon Matt Doocey
Hon Simon Watts
Hon Melissa Lee
Hon Penny Simmonds
Hon Chris Penk
Hon Nicola Grigg
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP
Jenny Marcroft MP

Officials present from:

Office of the Prime Minister
Office of Hon Todd McClay
Office of Hon Simon Watts
Officials Committee for ECO