



## Energy Portfolio Weekly Report

<b>Week commencing:</b>	03/03/2025	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	BRIEFING-REQ-0010081

Recipient	Action sought
HON SIMON WATTS MINISTER FOR ENERGY	Note the contents of this report

Justine Cannon  
**General Manager**  
Energy Markets Branch  
Ministry of Business, Innovation and Employment

Privacy of natural persons

**28 February 2025**

Minister's comments:

**Energy Portfolio**  
***Draft* Officials' Meeting Agenda**  
**5:00pm – 6:00pm Monday, 3 March 2025**

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Confidential advice to Government			
2.	Investment Summit	Peter Bartlett	Oral	Discussion
3.	Climate initiatives & Home Solar and battery package	Scott Russell	BRIEFING-REQ-0010209	Discussion
4.	RMA national direction for renewable energy	Daniel Brown	BRIEFING-REQ-0019634	Discussion
5.	Placeholder for any items you may want to raise following your stakeholder meetings last week or papers read			
6.	Weekly Report & Work Programme	Minister	Oral	Discussion
7.	Any other business	All	Oral	Discussion

**Ministry of Business, Innovation & Employment officials attending:**

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Michael Bird	General Manager, Entity Performance & Investment
Peter Bartlett	Director, Sector Engagement
Daniel Brown	Manager, Electrify NZ
Scott Russell	Manager, Energy Use Policy

## Key Updates

Title	Comment
<b>Implementing Electrify NZ</b>  Daniel Brown <small>Privacy of natural persons</small>	<p>We provided an update briefing on 25 February 2025 on resource management aspects of the Electrify NZ programme.</p> <p><b>Confidential advice to Government</b></p> <p>The Resource Management (Consenting and Other System Changes) Amendment Bill is currently before Select Committee. This Bill implements a number of Electrify NZ proposals around decision making processes for energy-related resource consents. We are working with the Ministry for the Environment to analyse submissions and develop advice on any proposed changes to the Bill. A draft departmental report with proposed changes to the Bill is scheduled to go to Ministers in late March 2025.</p>
<b>New permitting regime for offshore renewable energy</b>  Melanee Beatson <small>Privacy of natural persons</small>	<p>We are preparing information requested by the Transport and Infrastructure Committee to support its consideration of the Bill and will provide this to you early the week of 3 March 2025 for your information. The select committee is due to hear oral submissions on 6 and 13 March 2025.</p> <p>We are also providing you a briefing on timelines. <b>Confidential advice to Government</b></p>
<b>Hazards from Trees</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	<p><b>Confidential advice to Government</b></p>
<b>Publishing the Mid-point review of the phase-out of the LFC Regulations, and sector's extension of the Power Credits Scheme</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	<p>At the time of writing, ERANZ and the ENA are considering whether they can commit to \$5 million (plus an inflation adjustment) 5-year extension of the Power Credits Scheme. We understand the ENA Board meeting is on 27 February. ERANZ and ENA have signalled you can expect a response next week.</p> <p>Once their decision has been confirmed and if affirmative, we will be ready to publish the Mid-Point Review of the Phase-Out of the LFC Regulations report, and the accompanying Sense Partners' analysis report. Timing for publication depends on when ERANZ and ENA confirm their decision.</p> <p>A draft Press Release and draft media lines and Q&amp;A will be provided to your office a week prior to publication. We plan to hold a pre-publication media background briefing with journalists (who often ask questions related to the LFC Regulations' phase-out), then publish the next day.</p>

<p><b>Reserve diesel</b></p> <p>Dominic Kebbell Privacy of natural persons</p>	<p>We provided you and Minister Jones a briefing seeking direction on reserve diesel. Minister Jones has indicated he wants to increase the minimum stockholding obligation for diesel from 21 to 28 days, but only for those fuel importers with a market share of more than 10 per cent (Z Energy, Mobil and bp) to avoid adverse impacts on competition. We would review reporting data that we receive over the next 12 months with a view to expanding the minimum stockholding obligation to the other two fuel importers (Gull and Timaru Oil Services).</p> <p>You had questions on our briefing:</p> <ul style="list-style-type: none"> <li>• <i>Does it include biofuels that can be used instead of petroleum diesel?</i> Yes, it includes anything that is permitted by the <i>Engine Fuel Specification Regulations</i> to be blended with diesel. Currently biofuels are limited to a 5 per cent blend with diesel.</li> <li>• <i>How does this, if at all, increase energy security on basis the diesel is used for electricity generation?</i> It would improve energy security for diesel generation because the proposal means more diesel would be held onshore regardless of its end use. Fuel importers calculate how much diesel they are required to hold by counting it once it is drawn down from the bulk storage facility. If there was a fuel emergency, a civil defence controller or the Minister can identify and prioritise critical fuel consumers. This could include electricity generation generally or smaller-scale generation (e.g. for hospitals).</li> </ul>
<p><b>Review of electricity market performance</b></p> <p>Sharon Corbett Privacy of natural persons</p>	<p>Lead Reviewer, Frontier Economics, held a series of targeted discussions in the week commencing 24 February with stakeholders to gather perspectives on the current state of the market, future challenges, and options to address those challenges. The stakeholders Frontier met with, predominantly in-person, covered a range of perspectives including gentailers, independent retailers, major users, consumers, Transpower, and distribution companies. The meetings were well-attended by senior executives from each organisation. Topics were covered were wide-ranging, and included generation investment, barriers to new entry, hedging arrangements, distribution network, gas supply, distributed energy resources, institutional arrangements and co-ordination. Frontier also held further discussion with the Electricity Authority to explore some aspects of the New Zealand market in more detail.</p> <p>We are working with your office and that of Minister Jones to establish fortnightly meetings with Frontier. These regular meetings would provide an opportunity for you to give Frontier any further guidance on your expectations for the Review and to receive updates from Frontier on progress with its work. The Review is on track to meet the next milestone which is provision of Frontier's draft report to you by Friday 28 March 2025.</p>
<p><b>Gas security of supply</b></p> <p>Dominic Kebbell Privacy of natural persons</p>	<p><b>Genesis stops taking small gas-only customers</b></p> <p>Energy News reports that Genesis Energy will no longer accept new reticulated gas-only customers unless more new gas supply comes to market. The report says Genesis will continue to take on new customers that get both gas and electricity services as well as offer liquified petroleum gas (<b>LPG</b>) to new customers. This move follows an announcement in December 2024 from Genesis-owned Frank Energy to stop supplying gas and LPG services. Before that announcement, Frank had about 16,000 residential and small commercial gas customers and Genesis had about 92,500.</p> <p>In November 2024, we contacted four gas retailers (Mercury, Genesis, Nova and Contact) about restrictions on new gas connections. At that time, Nova and Contact as well as Genesis had paused offering new residential connections and advised that the pause would only be reviewed if there was a material improvement to the gas supply. Mercury was still offering new gas connections if it was part of a bundle with other services such as electricity and broadband. We will contact Mercury, Nova and Contact to see if their position on new gas connections has changed since November 2024 and update you in the next weekly report.</p>

**First Gas writes off value of its gas distribution network**

National Business Review has reported that Infrastructure company First Gas has written off \$27 million from the value of its gas distribution network. First Gas cited declining gas supplies and that it expects demand growth for gas to slow down as industry and consumers consider other energy sources. The company also said its revenues will be reduced by a December 2023 Commerce Commission decision to reduce the weighted average cost of capital (**WACC**) used in its regulated return calculations. First Gas has appealed this decision. The Commerce Commission has begun resetting the price-quality paths that apply to gas pipeline businesses from 1 October 2026 (**DPP4**). Prior to DPP4 coming into effect, the Commerce Commission must determine the updated WACC for gas pipeline businesses consistent with the process it set in December 2023.

**Commercial Information**

[REDACTED]

[REDACTED]

## Stakeholder Updates

Title	Comment
<p><b>Are any regulatory 'rocks left unturned' for security of supply?</b></p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p>
<p><b>Genesis and gentailers' negotiations for Huntly-backed contracts</b></p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>On 25 February you asked for weekly updates on progress of bilateral negotiations between Genesis and each of Meridian, Mercury and Contact for Huntly-backed contracts that aim to extend the viability of Huntly and so reduce long-duration electricity security of supply risk.</p> <p>Confidential advice to Government</p>
<p><b>NZAS to cap production (to lower electricity demand), plus demand response contracts available</b></p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p>On 25 February you asked for regular updates on NZAS' demand response options available.</p> <p>In 2024 NZAS signed supply agreements with Meridian, Contact and Mercury. The contract with Meridian contains four defined tranches of demand response that Meridian can call on: 25 MW; 50 MW; 100 MW and 185 MW. The largest tranche roughly equates to one of Huntly's Rankine units. The 185 MW tranche was called upon in winter 2024 and will next be available late April 2026. The three smaller tranches are available this year.</p> <p>Additionally, this week (25 February) NZAS confirmed it will make an extra 50 MW available for winter, by reducing its production to below the planned maximum. The full 50MW of demand response is expected to be provided from 10 March 2025 to 31 August 2025 (or other dates as agreed) with a ramp-up period (back to full production) of 86 days to follow.</p> <p>Meridian Chief Executive Neal Barclay said "[t]here is plenty of time for it to rain before winter, but based on current inflows it is prudent for us to use agreements like this to protect some of the water we're holding and ensure we head into winter in the strongest possible position." "NZAS have once again showed their willingness to be flexible with our demand response agreement and work with us in the interests of all New Zealanders. We are hugely appreciative of that."</p> <p>This information will remain consistent throughout 2025 - we will include an update in this Weekly Report when we hear Meridian is considering asking for one of the tranches, one is called upon, or if the agreements are changed.</p>
<p><b>Genesis, Mercury and Meridian's half-year results</b></p> <p>Tamara Linnhoff <small>Privacy of natural persons</small></p>	<p><b>GENESIS:</b> On Friday, 21 February, Genesis released its half-year FY25 results for the six months to 31 December 2024. Key financial metrics and notable information from these results are:</p> <ul style="list-style-type: none"> <li>Earnings for the first half of FY25 were \$217m, up \$14m versus the prior comparable period. This largely reflected uplift in generation, higher wholesale sales price and increases to its retail pricing.</li> <li>Net profit after tax was \$70m, up \$32m on the prior comparable period.</li> <li>Genesis provided views on how it views the energy market is changing, outlining: <ul style="list-style-type: none"> <li>The gas market has structurally deteriorated: the uncertainty has made it difficult to see gas as a transition fuel and it is pivoting to relacing 2TWh of gas generation with renewable generation as a priority.</li> <li>Coal is once again being relied on as backing generation, and demand for flexible generation is exceeding supply.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>Genesis highlighted the ‘insurance’ role Huntly will continue to play and that it cannot continue this role alone, so it welcomes the Heads of Agreement contracts – if signed with other gentailers. It also stated renewable developers should not be given a free ride for the costs of volatility that they bring to the grid.</li> <li>Genesis’ 63MW Lauriston solar farm was commissioned in FY25. This is New Zealand’s largest wind farm. It outlined a path to bring forward up to 300MW of wind and 500MW of solar, and noted this delivery is contingent on maintaining its BBB credit rating. It will host an investor day later this year at which it will share more information on its capital management strategy which will be vital for its renewable pipeline investment.</li> </ul> <p><b>MERCURY:</b> On Tuesday, 25 February, Mercury released its half-year FY25 results for the six months to 31 December 2024. Key financial metrics and notable information from these results are:</p> <ul style="list-style-type: none"> <li>Earnings for the first half of FY25 were \$418 million (\$16 million down on the prior comparable period) largely reflecting lower generation and increased operating expenses, offset by increased sales yields.</li> <li>Generation over this period was lower by almost 300GWh (largely hydro) compared to the same period for the previous year.</li> <li>Net profit after tax of -\$67 million for the period (\$241 million lower than the prior comparable period). This half-year loss was a ‘first for Mercury’ largely due to a negative \$290m fair-value movement in unhedged financial instruments.</li> <li>Mercury explained it has invested nearly half of its earnings (\$139m) in new renewables during this period, largely relating to construction costs for the two wind farm projects - the 155 MW Kaiwera Downs stage 2 and the 77 MW Kaiwaikawe project in Northland – as well as a 46 MW unit at its Ngā Tamariki geothermal site.</li> </ul> <p><b>MERIDIAN:</b> On Wednesday 26 February, Meridian released its FY25 results for the six months to 31 December 2024. Key financial metrics and notable information from these results are:</p> <ul style="list-style-type: none"> <li>Earnings for the first half of FY25 were \$257m, down \$186m on the prior comparable period. Meridian referenced low hydro, wind and gas leading to a tough operating environment for the period.</li> <li>Meridian posted a net loss after tax of \$121m, down \$312m.</li> <li>Meridian highlighted recently announced finalised consents for Ruakākā solar (120MW) and Mt Munro Wind Farm (90MW) and a 50-50 joint venture with Nova Energy Limited to build the 400MW Te Rahui solar farm at Rangitāiki near Taupō.</li> </ul> <p>A summary of <b>CONTACT’s</b> results was provided in last week’s Weekly Report.</p>
<p><b>Updates on spare parts held by gentailers and Transpower</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>On 12 February you asked for information on whether Transpower and gentailers hold supplies of spare parts.</p> <p><b>Confidential advice to Government</b></p>
<p><b>Updates on the pipeline of generation projects</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>On 12 February you asked for information on Transpower’s connection queue. We are working with Transpower to provide you with a response. You may also find their connection enquiry dashboard interesting <a href="#">[link here]</a>.</p> <p>You also asked for regular updates on new planned generation. The Electricity Authority will provide this information to you monthly. Transpower’s connection queue information is included in the EA’s ‘generation pipeline’ database.</p> <p>You have also asked for regular updates of plant outages and options to bring forward. We are working with the Electricity Authority on this request.</p>

# Confidential advice to Government

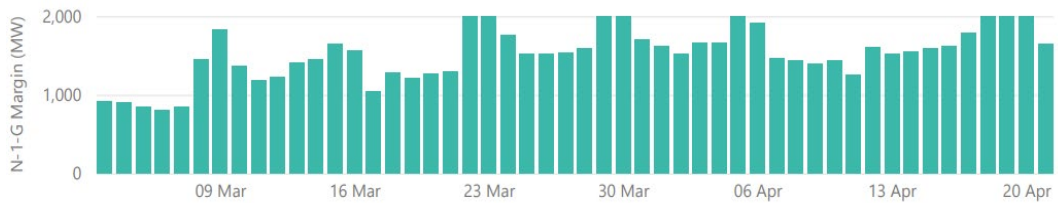




## Other Updates

Title	Comment
<p><b>Energy and Electricity Security Bill - Legislation Design and Advisory Committee</b></p> <p>Jamie Kerr Privacy of natural persons</p>	<p>The Legislation Design and Advisory Committee (LDAC) provides advice on the consistency of legislation with the Government's legislative guidelines. It may choose to make submissions on any areas of inconsistency during a Bill's consideration at Select Committee stage.</p> <p>We are scheduled to meet with LDAC on 6 March to discuss the design of the Energy and Electricity Security Bill. We have prepared an introductory note on the Bill for LDAC. A copy has been provided to your office. We will update you on any areas of risk or concern identified by LDAC, providing additional policy advice as necessary.</p>
<p><b>Electricity security of supply</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p><b>ELECTRICITY SUPPLY RELIABILITY (for the week to 27 February)</b></p> <p>Transpower has issued two Customer Advisory Notices (CANs) this week.</p> <ul style="list-style-type: none"> <li>On Wednesday 26 February a CAN sought market participants views on Transpower's plan to reconfigure the grid in Southland, should hydro inflows continue to decline, to maintain security of supply. <ul style="list-style-type: none"> <li>The action is planned due to declining hydro storage in the region that has the potential to reduce the availability and flexibility of Manapouri generation from 12 March. This reconfiguration approach was last used in 2022 under similar circumstances.</li> <li>This issue is separate to the contingent storage questions being raised by Meridian as it affects different hydro catchments. However, both issues relate to the extended dry spell in the southwest of the South Island.</li> </ul> </li> <li>On Monday 24 February Transpower issued a low-residual CAN. This means it forecast near-term capacity risk: a residual (predicted 'excess') supply below 200 MW. <ul style="list-style-type: none"> <li>A tight forecast arose as there was very little wind, a planned outage of one pole of the HVDC restricted supply northwards, then an unplanned outage occurred at Huntly. The wind picked up and Transpower's process to manage the tight supply situation was successful (as it almost always is).</li> <li>The outage is one unit at Huntly, caused by issues with the cooling tower that ensures water discharged back into the Waikato River is below the consented maximum temperature (25°C). Without the cooling tower, Huntly Units (that usually run on coal) must reduce output (Unit 5 combined cycle turbine is unaffected). Genesis expects the cooling tower to be operational by 3 March however this date is uncertain.</li> </ul> </li> </ul> <p><b>ELECTRICITY CAPACITY (for the week to Sunday 23 February 2025)</b></p> <p>Residual generation margins were healthy in the week to 23 February - a minimum residual of 953 MW. Peak load was relatively low as is usual for summer, and thermal unit commitment was high for this time of year as hydro generation reduced with declining storage.</p> <p>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid-April 2025:</p>

#### NZGB Look-Ahead (excluding next 7 days)



Source: System Operator, Market Operations - Weekly Market Movements

#### ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 23 February)

National hydro storage has decreased from 89% to 86% of the historic mean last week with continued below average inflows. South Island hydro storage dropped from 87% to 84%, and North Island storage dropped from 110% to 107% of the historic mean for this time of year.

#### ELECTRICITY ('ENERGY') SUPPLY RISK (as at 23 February)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

##### New Zealand Energy Risk



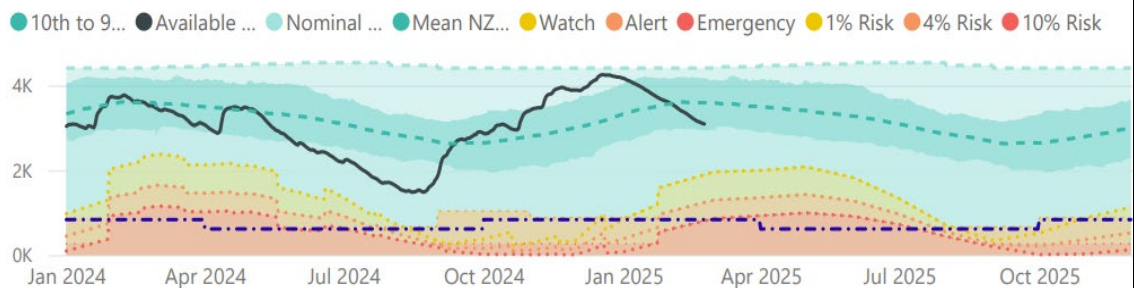
##### South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is below average for this time of year:

##### New Zealand Electricity Risk Status Curves (Available GWh)



Source: System Operator, Market Operations - Weekly Market Movements

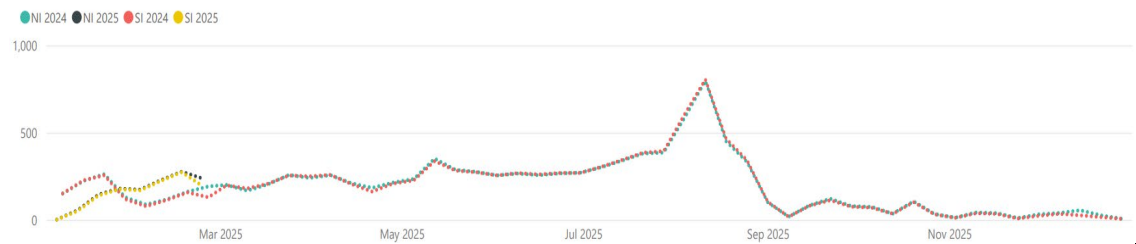
In last week's meeting with officials, you asked for regular updates on how many days hydro supply we have until reaching the alert curve (if it didn't rain). We will work with Transpower on this request.

The System Operator last published an update to the ERCs on 5 February 2025. Commentary on that update is in the Weekly Report of 28 January 2025.

On 25 February the System Operator sent MBIE its draft update of the ERCs, to be published early March. The key message is good news – the ERCs have shifted down this month (this means the situation has improved slightly). The latest ERCs reflects more current information about fuel supplies and demand. Moreover, these do not yet account for the recently announced agreement between Meridian and NZAS (capping demand 50MW below contracted levels, as described above) which will have a further positive impact on the ERCs when they are updated in a month's time.

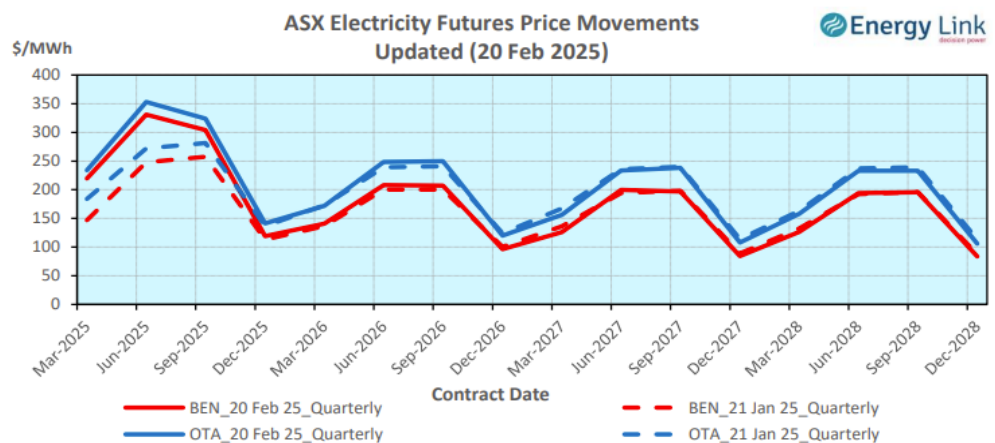
**Weekly Spot Price (week ended 23 February 2025)**

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

### ASX Electricity Futures Prices (last available update 20 February 2025)



Source: Energy Link, Energy Trendz Weekly

## Mutual recognition of hydrogen certification

Melanee Beatson  
Privacy of natural persons

At your meeting with Obayashi Corporation on 24 February 2025, you signalled an interest in exploring a mutual recognition agreement (MRA) with Japan on green hydrogen certification. We understand your focus is on removing any regulatory barriers to hydrogen trade.

Confidential advice to Government

<div>Regulatory Systems (Immigration and Workforce) Amendment Bill</div> <div>Peter Bartlett</div> <div>Privacy of natural persons</div>	<p>The Regulatory Systems (Immigration and Workforce) Amendment Bill (the Bill), currently before the House, is a Government omnibus bill that makes technical and non-controversial amendments to seven Acts administered by MBIE. It brings together many small changes, which will collectively smooth compliance, clarify provisions, and ensure provisions are fit for purpose. The Minister for Economic Growth is the lead Minister for the Bill, as MBIE’s ownership Minister.</p> <p>The Bill will provide WorkSafe with the power to draft Electricity Safety Instruments and Gas Safety Instruments that cite standards and other technical matters. As these safety instruments would be drafted by WorkSafe and approved by the Minister for Energy, the process would be much faster than the current process of amending the regulations through a Cabinet process (separately, you currently have updates to more than 400 of these references being drafted by PCO for Cabinet LEG consideration in April, which will support uptake of rooftop solar and smart EV charging). The Bill also provides the Registrar of Electrical Workers to delegate certain functions and powers (apart from the power of delegation).</p> <p>The Education and Workforce Committee reported back on the Bill in November 2024, with no changes proposed to the Electricity or Gas Safety Instruments provisions in the Bill. A minor change to the title of section 152 of the Electricity Act 1992 (regarding the power of the Registrar to delegate) was proposed to provide a clearer description of the change. Of the seventeen submissions received on the Bill, four submissions related to the electricity and gas amendments and strongly supported the Electricity and Gas Safety Instruments.</p> <p>This Bill is associated with the other MBIE Regulatory Systems (Economic Development) Amendment Bill, so the next steps will occur for both Bills together. Second reading, the Committee of the whole House and third reading are expected to occur in early March 2025. The Minister for Economic Growth will lead the Bill through the remaining House stages.</p> <p>You may wish to speak to the amendments you are responsible for during the remaining parliamentary stages of the Bill. If so, MBIE Health and Safety Policy can provide you with talking points for this.</p>																			
<div>Energy Portfolio Departmental Activity</div> <div>Rebecca Heerdegen</div> <div>Privacy of natural persons</div>	<p>You have requested information on MBIE’s departmental expenditure, by activity and compared with 2016/17. In 2016/17, the Energy Portfolio was Energy and Resources. Data on a split is not available.</p> <p>Summary:</p> <p>You have requested information on MBIE’s departmental expenditure, by activity and compared with 2016/17. In 2016/17, the Energy Portfolio was Energy and Resources. Data on a split is not available.</p> <p>Summary:</p> <table><tr><th rowspan="2">Portfolio</th><th colspan="2">FTE*</th><th colspan="2">Departmental (\$000)</th></tr><tr><th>2016/17</th><th>2024/25**</th><th>2016/17</th><th>2024/25***</th></tr><tr><td>Energy and Resources</td><td>97.4</td><td></td><td>25,736</td><td></td></tr><tr><td>Energy</td><td></td><td>51.3</td><td></td><td>18,732</td></tr></table> <p>* FTE exclude MBIE enablement functions, management, administration staff ** FTE as at 31 December 2024 *** Funding as at OBU 2024</p> <p>Departmental activity in the portfolio includes policy, monitoring, information services, and grant management. The following table shows a more detailed breakdown of these functions (appropriations in bold):</p>	Portfolio	FTE*		Departmental (\$000)		2016/17	2024/25**	2016/17	2024/25***	Energy and Resources	97.4		25,736		Energy		51.3		18,732
Portfolio	FTE*		Departmental (\$000)																	
	2016/17	2024/25**	2016/17	2024/25***																
Energy and Resources	97.4		25,736																	
Energy		51.3		18,732																

Function	2024/25 (\$000)***	Notes
<b>Policy Advice and Related Services</b>	<b>14,621</b>	<b>Current baseline falls to \$9m in 2028/29</b>
Policy Advice	13,782	Includes staff, overheads, management, ministerial servicing, and expenses across work programme previously provided
Operational activity	839	Includes fuel compliance activity and grant management. Grant management activity has been relocated to EECA (to be reflected in March baseline update)
<b>Information Services</b>	<b>4,111</b>	<b>Returns to \$3.4m from 2026/27</b>
Energy system data and insights	2,961	Includes data collection, analysis, evaluation, regular public reporting
Fuel Monitoring and Security	1,150	Fuel monitoring funded by levy, including minimum stockholding obligations
<b>Total Departmental spend</b>	<b>18,732</b>	

\*\*\* Funding as at OBU 2024

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Wednesday 5 March 2025 4:15pm – 4:45pm	PowerCo	Briefing Due: 3 March 2025 Officials required:
Wednesday 5 March 2025 5:30pm – 6:00pm	Greymouth Petroleum	Briefing Due: 3 March 2025 Officials required:

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publically released shortly

# Information to be publically released shortly

### 3. Written Parliamentary Questions

None this week.

### 4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
6 March 2025	SW25-2	Privacy of natural persons	Renewable Energy

### 5. Output plan

Confidential advice to Government



Confidential advice to Government



## Energy Portfolio Weekly Report

<b>Week commencing:</b>	10/03/2025	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	BRIEFING-REQ-0010392

Recipient	Action sought
HON SIMON WATTS MINISTER FOR ENERGY	Note the contents of this report

Justine Cannon  
**General Manager**  
Energy Markets Branch  
Ministry of Business, Innovation and Employment

Privacy of natural persons

**7 March 2025**

Minister's comments:

# Energy Portfolio Officials' Meeting Agenda

11:10am – 11:55am Tuesday 11<sup>th</sup> March 2025

Item	Subject	People	Oral Item / Paper #	Action Required
<small>Confidential advice to Government</small>				
2.	Timelines for EV consultation	Scott Russell	BRIEFING-REQ-0008681	Discussion
<small>Commercial Information</small>				
4.	Offshore renewable energy timelines	Melanee Beatson John Buick-Constable	BRIEFING-REQ-0009836	Discussion
5.	Weekly Report & Work Programme	Minister	Oral	Discussion
6.	Any other business	All	Oral	Discussion

## Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Rebecca Heerdegen	Policy Director, Energy Markets
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
John Buick-Constable	National Manager, Petroleum and Minerals
Scott Russell	Manager, Energy Use Policy

## Key Updates

Title	Comment
<b>Implementing Electrify NZ</b>  Daniel Brown <small>Privacy of natural persons</small>	<p>The Minister for Resource Management Reform will shortly consult on a Cabinet paper with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks.</p> <p><b>Confidential advice to Government</b></p> <p>The Resource Management (Consenting and Other System Changes) Amendment Bill is currently before Select Committee. This Bill implements a number of Electrify NZ proposals around decision making processes for energy-related resource consents. A recent article in Energy News highlighted some concerns from energy companies on some of the proposals in the Bill – e.g. the risk that constraining decision-making timeframes, or removing the need for hearings, may lead to poor decision making. Some concerns raised by the sector are outside the scope of the Bill, rather they relate more to the programme of RMA national direction. We are working with MFE on options to address what matters we can through the Departmental Report to the Bill. This Report, with proposed changes to the Bill, is scheduled to go to Ministers in late March 2025. We will highlight proposed changes in response to these concerns from submitters.</p>
<b>New permitting regime for offshore renewable energy</b>  Melanee Beatson <small>Privacy of natural persons</small>	<p>Oral submissions on the Offshore Renewable Energy Bill are taking place on 6 and 13 March 2025.</p> <p>We are intending to provide you with the draft Departmental Report to review by 24 March 2025. This will need to be provided to the Select Committee by 28 March at the latest. Some policy decisions may be required from you to feed into the departmental report. We will provide advice on any issues that arise as soon as we can. These will require a quick turn-around to enable us to finalise the report.</p>
<b>Energy Competition Task Force</b>  Sharon Corbett <small>Privacy of natural persons</small>	<p>The EA's consultation period on workstream 1A (which considers requiring gentailers to offer firming for Power Purchase Agreements) has closed and the EA is considering submissions. It expects to consult on any proposed Code amendments in April.</p> <p>The EA's consultation on level playing field measures (covering workstreams 1C and 1D) launched last week. Media responses have been as expected, with independent retailers welcoming the proposals and asking how monitoring and enforcement will work. We agree these are important questions. Gentailers have commented that they are considering the implications of the proposal. In conversation with officials, Meridian noted a potential chilling effect on their investment.</p> <p>On a briefing relating to Orion's application for an exemption from the LFC Regulations, you made a note querying when dual tariffs will be active. We have interpreted this to be a question about feed-in-tariffs for solar/battery home generation. Some retailers already offer these (eg Octopus). The EA is currently consulting on Task Force (Package Two 2A, 2B and 2C) proposals relating to retail and distribution tariffs.</p>

<p><b>Mid-point Review of the Low Fixed Charge Regulations and ERANZ/ENA decision on whether to inflation adjust extension of Power Credits Scheme</b></p> <p>Tamara Linnhoff  <small>Privacy of natural persons</small></p>	<p>At the time of writing, ERANZ and the ENA are considering whether they can commit to \$5 million (plus an inflation adjustment) 5-year extension of the Power Credits Scheme. The ENA board met on 27 February. They have advised they need to consult further with their members on the proposed inflation adjustment, and signalled a response may be forthcoming week commencing 10 March.</p> <p>Once their decision has been confirmed and if affirmative, we will publish the Mid-Point Review of the Phase-Out of the LFC Regulations report and the accompanying Sense Partners' analysis report. Our timing depends on when ERANZ and ENA confirm their decision.</p> <p>As signalled in the recent LFC briefing (BRIEFING-REQ-0009137) a draft Press Release, draft media lines and Q&amp;A will be provided to your office a week prior to publication. We will hold a media background briefing with interested journalists then publish the next day.</p>
<p><b>Hazards from Trees</b></p> <p>Tamara Linnhoff  <small>Privacy of natural persons</small></p>	<p>Confidential advice to Government</p>

Confidential advice to Government

Confidential advice to Government

**A potential  
Consumer Data  
Right for the  
electricity sector**

Scott Russell

Privacy of natural persons

On 23 February you agreed that MBIE officials progress with targeted engagement to develop options for policy settings for an electricity sector designation. Officials have prepared similar advice for the newly appointed Minister of Commerce and Consumer Affairs to provide background information on a potential consumer data right (CDR) for the electricity sector and seeking his approval as lead Minister for targeted engagement.

In the week commencing 10 March we understand the Electricity Authority is announcing their retail data monitoring work. This is relevant to a CDR for electricity because it requires retailers to share their customer and product data publicly in a standardised comparable manner. We will have reactive comms available.

# Confidential advice to Government

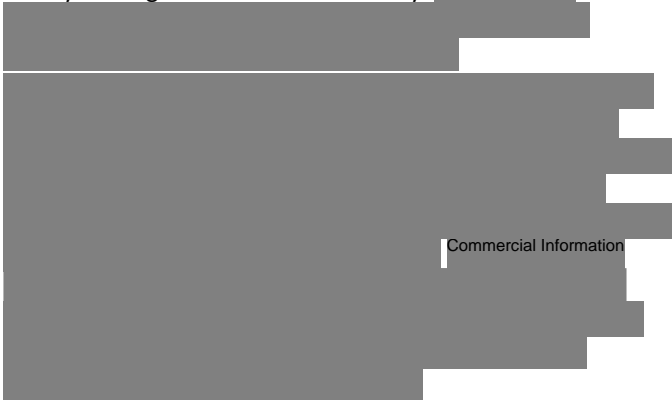
## Key actions tracker

We have prepared this table in response to your request for regular updates on key actions and how they are tracking. Please advise if this is fit for purpose or if you would like any changes for future weekly reports.

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
<b>Energy Competition Taskforce</b> Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	Consultation on 'level-playing field' measures commenced 27 February.	<b>On track</b> Consultation on level playing field measures closes in April.
<b>Carbon Capture and Storage (CCS)</b> Creating an enabling regulatory regime for CCS which could improve the economics of gas production	As advised at a recent officials' meeting, we are working with MfE on a briefing to joint Ministers on the broad regulatory approach (regarding the extent to which the new regime can utilise existing consenting processes).	<b>Delayed</b> Advice to delegated Ministers on broad legislative design in March.
Confidential advice to Government		
<b>Contingent hydro storage (Transpower/industry)</b> A review of the process for which access to contingent hydro storage is triggered (the amount of contingency available is set by consents)	As of 5 March, MBIE and the EA are liaising with Transpower on the content of their consultation paper on changes to the trigger for access to contingent storage. Commercial Information	<b>On track</b> Transpower to send a copy of their consultation by Friday 7 March and aim to publish w/b 10 March.
Confidential advice to Government		
Confidential advice to Government		
<b>Hazards from trees</b>	Confidential advice to Government	<b>On track</b>

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
Offshore Renewable Energy	We are preparing the departmental report for the Bill, which will be influenced by oral submissions (6 and 13 March 2025). Ministerial consultation on cost recovery regulations began on 6 March 2025. We are working with the regulator on the implementation plan.	On track
Confidential advice to Government		
Electricity and Gas Safety Standards Updating more than 400 references to international standards in the regulations to reduce installation costs for solar and EV chargers	Changes are currently being drafted by PCO. <small>Confidential advice to Government</small>	
Hydrogen exports	MFAT, MBIE and MFE held a meeting with Obayashi on 6 March to understand its proposal further and determine what, if anything, is required from Government to support hydrogen export access to Japan and potentially Singapore. We worked through New Zealand's process for certifying exports against international standards - based on this discussion a dedicated government to government arrangement may not be required. However Obayashi will do further analysis and then we will meet with them again. You and the Prime Minister will also meet with the Chairman of Obayashi on the morning of 14 March during the Investment Summit. A separate briefing is being provided for this.	On track
Led by other Ministerial portfolios		
Resource Management Improvements	The Minister for Resource Management Reform will shortly consult on a Cabinet paper with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks.	On track
Confidential advice to Government		



Action and outcome	Updates (if any)	Status and upcoming milestones
<b>Industry developments</b>		
<b>Potential commercial deals to enhance Winter Security of Supply</b> Potential industry actions to improve security of supply including Huntly (Heads of Agreement) firming contracts, Methanex gas deal, demand response deals	This week, all four gentailers mentioned negotiations on Huntly firming contracts are underway. <small>Confidential advice to Government</small>  <small>Commercial Information</small> No new information has come to light this week on demand response agreements (the NZAS agreement holds as per update in 28 February Weekly Report)	Ongoing
<b>Electricity pipeline updates</b>	Transpower are preparing an update for you on their connection queue. The EA have agreed to provide monthly updates to you. We are working with the EA to clarify when and how this will happen.	Ongoing
<b>Gas exploration updates</b>	No update this week.	Ongoing

## Stakeholder Updates

Title	Comment
<p><b>Update on previous Minister's request to the Guardians and Meridian Energy regarding generation from Lakes Manapouri and Te Anau</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>On 21 October 2024 the previous Minister for Energy wrote to Meridian and the Guardians of Lakes Manapouri, Monowai, and Te Anau (the Guardians) to request they jointly investigate and advise if any additional generation, or greater flexibility for generation at different times, from Lakes Manapouri and Te Anau could be made available while still meeting appropriate environmental considerations. A response was requested by 14 March 2025.</p> <p>The Guardians and Meridian Energy most recently met on 28 February. Confidential advice to Government</p> <p>Confidential advice to Government. The parties are on track to report back to you by 14 March 2025. Their report will detail all options - those agreed and those that were not. We will then provide you with a briefing on next steps.</p>
<p><b>Helios consented for Karioi solar farm</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>Helios is a US-backed developer of large-scale solar in NZ. Their 110MW solar farm in Karioi, between Waoiuru and Ohakune, has received consent. The project is expected to invest more than \$150m in the Ruapehu district, which has faced economic downturn with the recent closures of mills.</p> <p>Helios has now commenced preparatory geotechnical work alongside other development milestones and construction of the project is anticipated to commence in 2026.</p>
<p><b>Project Te Ara Hiko update</b></p> <p>Scott Russell Privacy of natural persons</p>	<p><b>Commercial Information</b></p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

# Commercial Information

## Current appointments

# Confidential advice to Government

## Response by gentailers on questions relating to ‘regulatory rocks’ and spare assets


On 12 February you requested information on whether the gentailers consider there are ‘regulatory rocks left unturned’ and for information on their approach to keeping spare parts for critical assets.

We asked Mercury, Meridian, Contact and Genesis these 2 questions:

1. Are there barriers or challenges to investment in new firm generation, red tape or other challenges, that this government could address (or ease)?
2. Does [your company] maintain an inventory of spares for major assets so that, if a generation unit fails, spare parts are already within New Zealand?

We received emailed feedback, and held discussions with each (separately) this week. The table below collates responses.

### 1. Are there barriers or challenges to investment in new firm generation – red tape of other challenges, that this government could address (or ease)?

Theme	Issues raised, and views shared, by gentailer	Regulatory ‘rocks’ the gentailers ask government to address	MBIE comment
RMA	<ul style="list-style-type: none"> <li>• The RMA is considered by all gentailers to be the biggest barrier to new investment and consenting existing assets.</li> <li>• Large scale hydro is considered almost ‘unconsentable’, absent special empowering legislation.</li> <li>• The government needs to ensure New Zealand’s stock of existing firm generation is not eroded. Dams are essentially irreversible. Yet when consenting the RMA compares the consent to ‘pristine environment without the asset’. This almost always results in loss of water resource, undermining our renewable electricity potential.</li> <li>• Gentailers cannot rely on projects being accepted for Fast Track, so the RMA needs urgently to be fixed.</li> <li>• s6 of the RMA is currently confined to protective considerations directed at a range of natural, cultural and heritage resources that were pertinent to the 1990’s. The fundamental issue with s6 of the RMA is that it is currently confined to protective considerations with no enabling counterpoint.</li> <li>• There is a need for greater recognition within the RMA of the national significance of climate change mitigation and adaptation, so it cascades into other planning documents and better enables renewable generation (existing and new) given its role in climate change mitigation.</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Roll-over existing consents</b> and remove the requirement water assets must be consented.</li> <li>2. If rollover not possible, then <b>require analysis for consent to evaluate the asset against the asset ‘as-is’</b>, and not against a ‘pristine environment’ (e.g. natural river flow) as this is not a realistic test.</li> <li>3. <b>Include a climate change mitigation counterpoint in s6 of the RMA</b>, as this would cascade down to support bespoke Plan provisions and provide a pathway for consenting REG.</li> </ol>	<p>Confidential advice to Government</p> 

Theme	Issues raised, and views shared, by gentailer	Regulatory 'rocks' the gentailers ask government to address	MBIE comment
Contingent Storage	<ul style="list-style-type: none"> <li>Transpower's trigger mechanism for contingent storage is not fit for purpose.</li> <li>A problem with the current contingency rule is it needs 3 lakes to reach trigger levels. This is difficult to achieve, so gentailers 'get stuck waiting'.</li> </ul>	<p>4. Meridian and Contact: <b>Revise contingent storage trigger.</b></p> <p>Confidential advice to Government</p>	<p>Confidential advice to Government</p>

# Confidential advice to Government

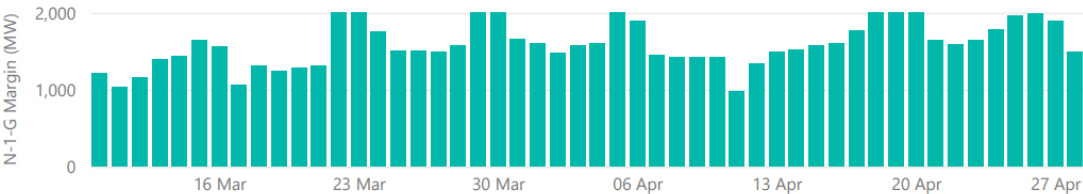
Transpower investment application queue	<ul style="list-style-type: none"> <li>Transpower's current queue assessment model is an improvement on 'first come first served' but needs to have a weighting factor that reflects the likelihood of a project proceeding e.g deprioritise 'braggawatts and tyre kickers'.</li> <li>Transpower is resource constrained so queue takes too long. Had one windfarm move up one place in a year.</li> </ul>	<p><i>[Note 6 and 7 relate to Transpower process, not regulatory settings per se]</i></p> <p>6. Transpower to <b>revise its connection queue method</b> to give higher weighting to more likely to proceed investments.</p> <p>7. Transpower to <b>allocate more resources to queue assessments and connection design and engineering process.</b></p>	Confidential advice to Government
Gas	<ul style="list-style-type: none"> <li>Lack of secure gas is the biggest challenge. What is the Government's role in securing more gas?</li> <li>Over the last few years gas deliveries averaged 65% of contracted, essentially dealing with contingent supplies makes it difficult to assess firm generation position.</li> <li>As gas networks are less utilised, costs increase to remaining users.</li> </ul>	<p>8. A <b>firm or authoritative view on how much gas is available for the future</b> is needed to help gentailers assess investment strategies.</p>	Confidential advice to Government

Theme	Issues raised, and views shared, by gentailer	Regulatory 'rocks' the gentailers ask government to address	MBIE comment
			Confidential advice to Government
<b>Geothermal</b>	<ul style="list-style-type: none"> <li>There remains potential for more brownfield and greenfield development of traditional geothermal. But for greenfield, there is an exploration risk for drilling a large number of wells in well-surveyed locations. The costs are prohibitive.</li> </ul>	9. A role for government to coordinate and support.	<ul style="list-style-type: none"> <li>Confidential advice to Government</li> </ul>
<b>Energy Only Market (EOM)</b>	<ul style="list-style-type: none"> <li>Scarcity pricing, or very high spot prices is the key investment signal for new firming investment.</li> <li>Reducing these spikes (either by Ministerial and officials' criticism or by Transpower's out of market interventions) undermines the operation of an energy-only market: and the price signals for a need for investment.</li> <li>Market incentives will be required to ensure it remains economically viable for older and less frequently used generation assets to continue to operate, even as use in a normal year declines.</li> </ul>	10. Either <b>implement MDAG's proposed information programme for the public, stakeholders and government to better understand scarcity pricing.</b> 11. Or, <b>implement changes to adopt capacity market systems away from pure energy-only market.</b>	Confidential advice to Government

## 2. Do companies maintain an inventory of spares for major assets, so if a generation unit fails, spare parts are already within New Zealand?

Gentailers all noted they continuously assess the risk of failure and whether carrying a spare part is justifiable or suitable insurance.

- They do not carry spares for all contingencies.
- Spares are typically considered where lead times are significant and/or unmitigated business interruption risks are high (i.e. base load generation).
- Equipment that is critical to a unit running, especially on larger units, will have spares selected that correspond with the most likely causes and locations of failure.
- Several gentailers emphasised transformers as the key failure risk that they carry spares for.
- Post COVID, due to experience with supply chain issues, most gentailers carry strategic spares within country, on site or close
- One reported carrying a full inventory of anything that could reasonably be expected to fail in the near term.
- One reported they have arrangements in place with local and international suppliers to expedite replacement parts if required, and also to ensure changing availability and lead times are known.

Title	Comment
<div>Gas security of supply</div> <div>Dominic Kebbell</div> <div>Privacy of natural persons</div>	<div>Availability of new residential gas connections</div> <div>In last week’s report we provided information about restrictions on new gas connection that were in place in November 2024. We have since connected with the gas retailers Contact, Genesis, Mercury, and Nova to confirm their current position on taking new residential gas connections. Confidential advice to Government</div> <div></div> <div></div> <div></div> <div></div> <div></div> <div>We are also looking into the services gas retailers offer to commercial and small industrial customers.</div>
<div>Electricity security of supply</div> <div>Tamara Linnhoff</div> <div>Privacy of natural persons</div>	<div>ELECTRICITY CAPACITY (for the week to Sunday 2 March 2025)</div> <div>Residual generation margins remained healthy last week with a minimum residual of 929 MW on Monday morning due to low wind generation. Peak load was relatively low (typical for summer), however thermal unit commitment was high for this time of year due to reduced hydro generation. Electricity prices increased with declining storage.</div> <div>The N-1-G margin is sufficient to meet peak demand in the look-ahead through to end of April 2025:</div> <div>NZGB Look-Ahead (excluding next 7 days)</div> <div></div> <div>Source: System Operator, Market Operations - Weekly Market Movements</div> <div>ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 2 March)</div> <div>National hydro storage has dropped from 86% to 83% of average for this time of year. South Island storage dropped from 84% to 81% of its historical mean, while North Island storage dropped from 107% to 103%.</div> <div>ELECTRICITY (‘ENERGY’) SUPPLY RISK (at 2 March)</div> <div>The level of ‘energy risk’ is measured by hydro storage levels relative to the electricity risk status curves.</div>

## New Zealand Energy Risk



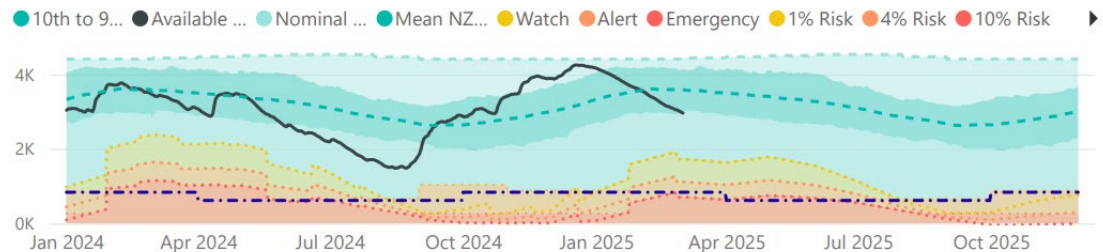
## South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is below average for this time of year:

### New Zealand Electricity Risk Status Curves (Available GWh)



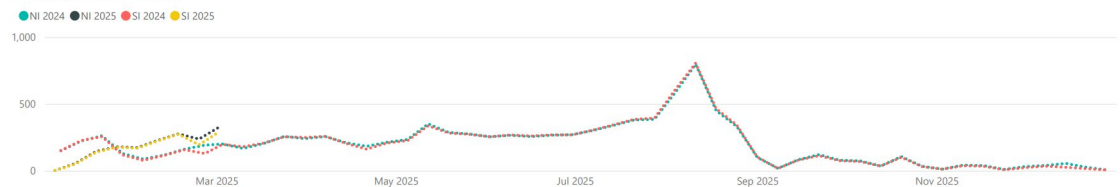
The System Operator last updated the ERCs on 28 February 2025. Commentary on that update is in the Weekly Report of 3 March 2025. The next ERC update is expected at the end of March.

Source: System Operator, Market Operations - Weekly Market Movements

## WHOLESALE ELECTRICITY PRICES

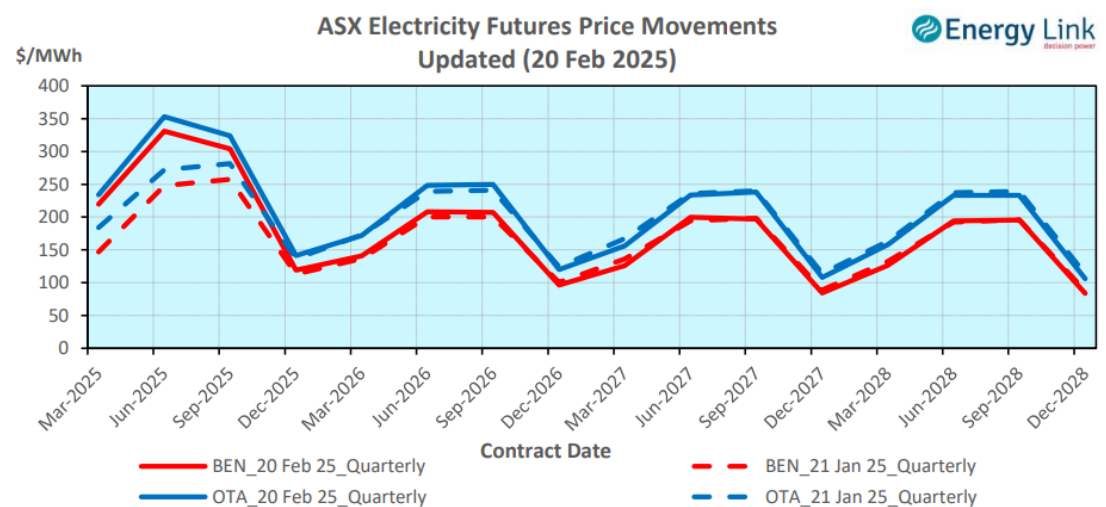
### Weekly Spot Price (week ended 2 March)

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

### ASX Electricity Futures Prices (as at last available update 20 February)



Source: Energy Link, Energy Trendz Weekly

# International relations



# International relations



# International relations

## California CCUS projects

Peter Bartlett

Privacy of natural persons

## California CCUS projects

You requested further advice regarding California CCUS projects and potential investment/investors in New Zealand following the recent CCUS announcements. Given the announcements have only been out since 21 February, NZTE advises it is too early to tell if there will be any uplift in interest from this.

## Commercial Information

- [REDACTED]
- [REDACTED]
- [REDACTED]

MBIE has also engaged closely with Californian regulators in developing the regime for CCUS, who provided useful information on lessons learned.

# Commercial Information

# Commercial Information

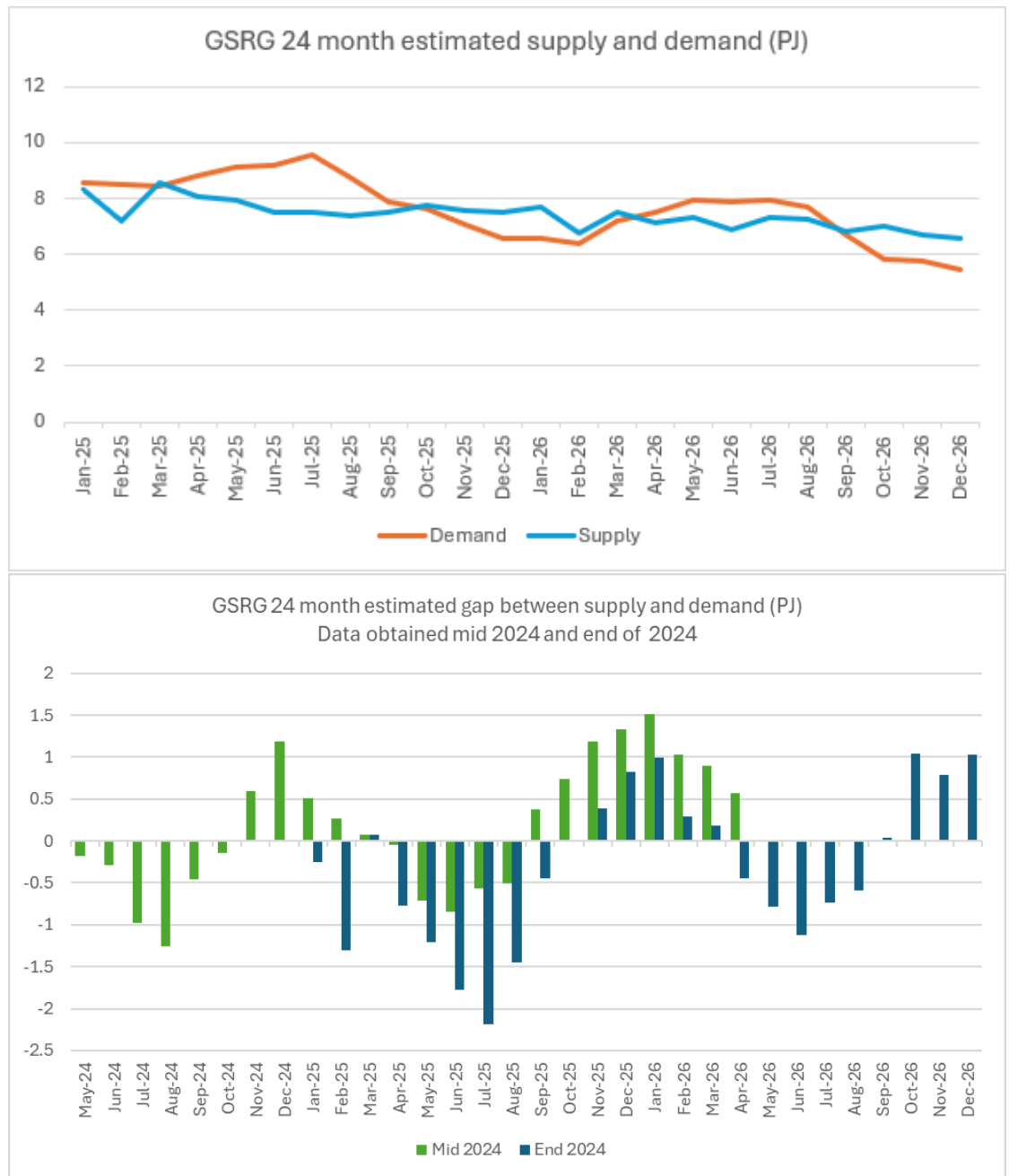
**Gas Security  
Response Group –  
December 2024 and  
February 2025  
meetings**

**Dominic Kebbell**

Privacy of natural persons

## Confidential advice to Government

# Confidential advice to Government



## Reserve diesel

Dominic Keibell

Privacy of natural persons

You have considered the draft Cabinet paper *Improving our diesel resilience*. This paper seeks approval to draft regulations that would increase New Zealand's minimum stockholding obligation for diesel from 21 to 28 days' cover.

You have asked whether the proposal would include biodiesel. In short, yes. The minimum stockholding obligation regime does allow for blendstocks to be counted, such as biodiesel and ethanol (for mixing with petrol), provided those blends are within the limits set out by the *Engine Fuel Specifications*.

<p><b>Monthly oil and gas production data</b></p> <p>Amapola Generosa Privacy of natural persons</p>	<p>We will be publishing the January 2025 update of our monthly oil and gas production data on Thursday 13 March. This shows that net production of natural gas in January 2025 was 8.64 PJ, up 8% on December 2024 levels (8.00 PJ) and down 26% on January 2024 net production.</p> <p>We publish this data regularly, on the second Thursday of each month. Data for a given month is available 6 weeks after month-end. This data gives a more comprehensive view of gas production than other public sources (such as what is published on the Gas Industry Company’s website) as we collect data from all gas field operators in New Zealand and capture information on gas that is delivered through private pipelines.</p>
<p><b>Energy Quarterly Q4 Release</b></p> <p>Amapola Generosa Privacy of natural persons</p>	<p>MBIE will release the latest New Zealand Energy Quarterly (NZEQ) on Thursday 13 March 2025. The NZEQ provides quarterly data and analysis on energy supply, demand, prices, and associated greenhouse gas emissions. This release covers data from 01 October to 31 December 2024.</p> <p>Unless stated otherwise, all changes are in comparison to the December 2023 quarter.</p> <p><b>Electricity generation</b></p> <ul style="list-style-type: none"> <li>Electricity generation fell 1.3% to its lowest December quarter level since 2016 due to lower electricity demand.</li> <li>With lower generation required and more generation from renewables, less generation from fossil fuels was needed to meet demand. Gas-fired generation fell 29.9% and coal-fired generation fell 64.1%.</li> <li>Renewable electricity generation was bolstered by hydro storage in both islands returning to above historic mean levels, along with new geothermal and solar capacity coming online.</li> <li>The renewable share of generation increased to 94.3% this quarter, the 4<sup>th</sup> highest quarterly level on record, with emissions from electricity generation falling to their lowest quarterly level on record.</li> </ul> <p><b>Energy use</b></p> <ul style="list-style-type: none"> <li>Lower demand from industrial energy users saw consumption down across electricity, gas, and coal.</li> <li>Electricity demand from the industrial sector was down 9%, largely due to New Zealand Aluminium Smelters using less electricity following its demand response agreement with Meridian being called on in the September 2024 quarter.</li> <li>Total gas use was down 32%, with Methanex’s idling of its facilities from mid-August to the end of October 2024 contributing to this.</li> <li>Coal consumption continued to trend down in most sectors, including dairy product manufacturing which is the largest domestic coal consumer.</li> <li>Consumption of oil products was relatively unchanged, with exception being aviation fuel use for international transport which was up 4%.</li> </ul> <p><b>Energy supply</b></p> <ul style="list-style-type: none"> <li>Net gas production was 26.16 PJ for this quarter, a 23% decrease on the same quarter last year. Lower deliveries from the Pohokura and Maui fields, and two unplanned outages for Kupe field contributed to this.</li> <li>Petrol and diesel imports were down slightly, 4% and 9% respectively, while aviation fuel imports were up 19%.</li> </ul> <p><b>Preliminary 2024 calendar year data</b></p> <p>In addition to the December 2024 quarter data, MBIE will be releasing preliminary data for the 2024 calendar year. This will include data on natural gas production for the 2024</p>

	<p>calendar year, which is expected to receive attention from the energy industry and commentators.</p> <p>This shows that net gas production in the 2024 calendar year was 119 PJ. This is down 20% on the 2023 calendar year, and the lowest annual level since 1984.</p> <p>While there are other data sources on gas production (such as the Gas Industry Company's website), MBIE's data provides a more comprehensive view as it is collected from all gas field operators in New Zealand and captures information on gas that is delivered through private pipelines.</p> <p><b>Next Steps</b></p> <p>Energy Quarterly will be released on 13 March 2025 with a coinciding media release. Associated communications material will be provided to your office 24 hours prior to release.</p>
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## Energy Fast-track Projects

Listed Project	Confidential advice to Government	Notes
Lodestone Energy Limited - Haldon Solar Project		Schedule 2 Listed Project
Genesis Energy Limited: Tekapo Power Scheme – Applications for Replacement Resource Consents		Schedule 2 Listed Project
Energy farms. Wellsford solar farm		Schedule 2 Listed Project
Black Points Solar Limited; Black Point Solar Farm		Schedule 2 Listed Project
Westpower, Waitaha Hydro		Schedule 2 Listed Project
Manawa Energy; Wheao Hydro Power Scheme Reconsent		Schedule 2 Listed Project
Manawa Energy; Kaimai Hydro Power Scheme Reconsent		Schedule 2 Listed Project
Tararua Wind Power Limited - a fully owned subsidiary of Mercury NZ Limited; Mahinerangi Wind Farm		Schedule 2 Listed Project
Tararua Wind Power Limited (a wholly owned subsidiary of Mercury NZ Limited); Waikokowai Wind Farm		Schedule 2 Listed Project
Tararua Wind Power Limited (a wholly owned subsidiary of Mercury NZ Limited); Tararua Wind Farm Repowering		Schedule 2 Listed Project
Eastland Generation - Waihi Hydro Re-consenting		Schedule 2 Listed Project

Mercury NZ Limited; Puketoi Wind Farm	Confidential advice to Government	Schedule 2 Listed Project
A and K Simpson. Balmoral Solar Farm.		Schedule 2 Listed Project
Manawa Energy; Huriwaka Wind Farm		Schedule 2 Listed Project
SolarGen Joint Venture; Foxton Solar Farm		Schedule 2 Listed Project
Tauhara North No.2 Trust; Rotokawa Solar Farm		Schedule 2 Listed Project
Far North Solar Farm Ltd; The Point Solar Farm		Schedule 2 Listed Project
Harmony Energy Ltd; Hinuera Solar Farm		Schedule 2 Listed Project
Harmony Energy Ltd; Bunnythorpe Solar Farm		Schedule 2 Listed Project
Kaimai Wind Farm Ltd; Kaimai Wind Farm		Schedule 2 Listed Project
Lochindorb Wind Limited Partnership; Kaihiku Wind Farm		Schedule 2 Listed Project

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 11 <sup>th</sup> March 2025 12:45pm - 1:15pm	Meeting with Chloe Swarbrick, Scott Willis and Minister Watts	<b>Briefing due:</b> 7 March 2025 <b>Officials required:</b> Justine Cannon
Tuesday 11 <sup>th</sup> March 2025 5:00pm - 5:30pm	Meeting with Rod Drury and Minister Watts	<b>Briefing due:</b> 10 March 2025 <b>Officials required:</b> Justine Cannon

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publically released shortly



# Information to be publically released shortly

### 3. Written Parliamentary Questions

None this week.

### 4. Ministerial Correspondence received

None this week.

### 5. Output plan

Confidential advice to Government

Confidential advice to Government



## Energy Portfolio Weekly Report

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**Week commencing:** 17/03/2025

**Priority:** Medium

**Security classification:** In Confidence

**Tracking number:** BRIEFING-REQ-0010906

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**Recipient**

**Action sought**

**HON SIMON WATTS  
MINISTER FOR ENERGY**

**Note** the contents of this report

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Justine Cannon  
**General Manager**  
Energy Markets Branch  
Ministry of Business, Innovation and Employment

Privacy of natural persons

**14 March 2025**

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Minister's comments:

# Energy Portfolio

## Officials' Meeting Agenda

9:30am – 10:30am Monday 17<sup>th</sup> March 2025 (online)

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Orion LFC	Tamara Linnhoff	BRIEFING-REQ-0008147	Discussion
2.	Offshore wind	Melanee Beatson Rebecca Heerdegen John Buick-Constable	BRIEFING-REQ-0011076	Discussion
3.	Energy hardship measures	Scott Russell	BRIEFING-REQ-0008066	Discussion
4.	EV's smart charging timelines	Scott Russell	BRIEFING-REQ-0008681	Discussion
5.	Australian solar tariffs	Peter Bartlett	Oral	Discussion
6.	Weekly Report & Work Programme	Minister	Oral	Discussion
7.	Any other business	All	Oral	Discussion

### Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Rebecca Heerdegen	Policy Director, Energy Markets
Peter Bartlett	Director, Sector Engagement
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy
Melanee Beatson	Manager, Offshore Renewable Energy and Hydrogen
Scott Russell	Manager, Energy Use Policy
John Buick-Constable	National Manager, New Zealand Petroleum and Minerals

## Key Updates

Title	Comment
<p><b>Implementing Electrify NZ</b></p> <p>Daniel Brown Privacy of natural persons</p>	<p>The Resource Management (Consenting and Other System Changes) Amendment Bill is currently before Select Committee. The Minister for Resource Management Reform has sought your feedback on potential changes to the Bill to address issues raised in submissions. MIBE supports these changes, and we provided your office with comments on 13 March 2025.</p> <p>The Minister for Infrastructure has sought your comments on two potential new Fast-track energy projects. We will provide you with advice on these projects within the 20-working day window for comments.</p> <p>The Minister for Resource Management Reform has a paper at Cabinet Business Committee on 17 March 2025 with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks. <b>Free and frank opinions</b></p> <p>[REDACTED]</p> <p>We have provided your office with written feedback and talking points on this matter.</p> <p>You have a meeting scheduled with the Minister for Resource Management Reform on 1 April to discuss resource management issues. This is an opportunity to discuss the matters above, and other issues such as greenhouse grower concerns with current national direction around greenhouse gas emissions in relation to gas boiler consent requirements (BRIEFING-REQ-0007924).</p> <p>On 11 March you asked for an update on the status of the EA's work on network connections. <b>Confidential advice to Government</b></p> <p>[REDACTED]</p>
<p><b>New permitting regime for offshore renewable energy</b></p> <p>Melanee Beatson Privacy of natural persons</p>	<p>The Transport and Infrastructure Select Committee heard oral submissions on the Offshore Renewable Energy Bill on 13 March 2025. Submitters included developers, iwi, environmental groups the Parliamentary Commissioner for the Environment, and other marine users. Key themes raised included revenue stabilisation and marine spatial planning.</p> <p>We will provide you with a draft of the departmental report for your consideration before it's submitted.</p> <p>MBIE met with the pan-iwi group (including Taranaki iwi, Tainui, and Ngai Tahu) to discuss implementation of the offshore renewable energy regime, and in particular consultation/engagement approach for assessing applications, and how best to enable good engagement between developers and iwi and other Māori groups. Both MBIE policy and staff who will be involved in delivering the regulator function attended. <b>Confidential advice to Government</b></p> <p>[REDACTED]</p> <ul style="list-style-type: none"> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> <li>■ [REDACTED]</li> </ul>

	<ul style="list-style-type: none"> <li>Confidential advice to Government</li> </ul>
<b>Hazards from Trees</b> Tamara Linnhoff <small>Privacy of natural persons</small>	Confidential advice to Government
<b>Mid-Point Review of the Low Fixed Charge Regulations and ERANZ/ENA decision on whether to inflation adjust extension of Power Credits Scheme</b> Tamara Linnhoff <small>Privacy of natural persons</small>	<p>At the time of writing, ERANZ and the ENA are considering whether they can commit to \$5 million (plus an inflation adjustment) 5-year extension of the Power Credits Scheme. The ENA board met on 27 February and signalled we could expect a response in the week commencing 10 March. At the time of writing (12 March) no response has been received.</p> <p>In your comments on the recent LFC briefing (BRIEFING-REQ-0009137) you signalled agreement to the planned next steps:</p> <ul style="list-style-type: none"> <li>Once the ERANZ/ENA agreement is confirmed (and is affirmative), we will publish the Mid-Point Review report and the accompanying Sense Partners' analysis. Our timing depends on when ERANZ and ENA confirm their decision.</li> <li>A draft Press Release, draft media lines and Q&amp;A will be provided to your office a week prior to publication. We will hold a media background briefing with interested journalists then publish the next day.</li> </ul> <p>We will discuss with you Orion's application for an exemption from the LFC Regulations and the phase out of the regime at our meeting with you on Monday 17 March.</p>
<b>Removing EDB Thresholds for investment in generation</b> Tamara Linnhoff <small>Privacy of natural persons</small>	<p>On 11 March you asked (as a note on last week's Powerco event briefing) when the removal of EDB generation thresholds will be announced?</p> <p>On 26 February <a href="#">a joint press release was published</a> (from yourself and Minister Jones) on this topic, explaining thresholds would be 'eased'.</p> <p>We are receiving multiple queries from stakeholders on to what degree the thresholds will be 'eased'.</p> <p>The Cabinet paper <i>Investigating Options to Amend or Remove the Amount of Generation that Electricity Distribution Businesses May Own</i> is ready for proactive release. Confidential advice to Government</p>

Confidential advice to Government

Confidential advice to Government



Confidential advice to Government



## Key actions tracker

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
<b>Energy Competition Taskforce</b> Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	<i>1A Sleeving (firm generation) for PPAs:</i> EA is reviewing submissions.	<b>On track</b> Consultation on level playing field measures closes in April.
	<i>1B Standardised flexibility contracts:</i> Initial offer round held, limited engagement. EA is monitoring liquidity (or lack of)	
	<i>1C+D sharing flexibility and level playing field measures:</i> Consultation commenced 27 February. EA planning in-person 'roadshow' engagements late March in Christchurch, Wellington and Auckland.	
	<i>2A+B+C Better compensating household power injection and time of use plans:</i> consultation underway, code change decisions expected in June 2025.	
	<i>2D Better compensating industrial demand response:</i> EA/Commission team working up options for Taskforce then EA board consideration, ahead of potential consultation.	
<b>Carbon Capture and Storage (CCS)</b> Creating an enabling regulatory regime for CCS which could improve the economics of gas production	MBIE and MfE are finalising a briefing to joint Ministers with a preferred regulatory approach to both consenting and CCUS-specific approvals. We are engaging with PCO to understand how quickly the approach can be drafted and will include an update on timing in the upcoming briefing.	<b>Delayed</b> Advice to joint Ministers on legislative design on 24 March.

## Confidential advice to Government

<b>Contingent hydro storage (Transpower/industry)</b> A review of the process for which access to contingent hydro storage is triggered (the amount of contingency available is set by consents)	Transpower launched consultation on their risk assessment framework on 10 March. Consultation underway for 2 weeks, then 1 week for cross submissions. <b>Commercial Information</b>	<b>On track</b> Transpower's consultation will close 5pm Monday 24 March and then there will be one week for cross-submissions.
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## Confidential advice to Government

## Confidential advice to Government

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
Hazards from Trees	Confidential advice to Government	On track
Confidential advice to Government		
Offshore Renewable Energy	We are preparing the departmental report for the Bill, which will be influenced by oral submissions. Ministerial consultation on cost recovery regulations began on 6 March 2025. We are also working with the regulator on the implementation plan.	On track
Confidential advice to Government		
Electricity and Gas Safety Standards Updating more than 400 references to international standards in the regulations to reduce installation costs for solar and EV chargers	Changes are currently being drafted by PCO. Confidential advice to Government	
Hydrogen exports	MFAT, MBIE and MFE held a meeting with Obayashi on 6 March to understand its proposal further and determine what, if anything, is required from Government to support hydrogen export access to Japan and potentially Singapore. We worked through New Zealand's process for certifying exports against international standards - based on this discussion a dedicated government to government arrangement may not be required. However, Obayashi will do further analysis and then we will meet with them again. You and the Prime Minister will also meet with the Chairman of Obayashi on the morning of 14 March during the Investment Summit.	On track
Woody Bioenergy Investigating barriers to the development of the domestic supply chain and export opportunities for woody bioenergy.	We have been meeting stakeholders including Carbona and Genesis. On Friday 14 March Carbona announced their MOU with Genesis, progressing their negotiations for torrefied pellet supply. We are also progressing engagement across government to improve coordination among MBIE, EECA, MPI, NZTE, MfE and MFAT. We will be meeting various industry stakeholders over the coming weeks to inform our next round of advice to you and will keep you updated.	On track

Action and outcome	Updates (if any)	Status and upcoming milestones
Led by other Ministerial portfolios		
Resource Management Improvements	The Minister for Resource Management Reform will shortly consult on a Cabinet paper with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks.	On track

# Confidential advice to Government

Industry developments		
<b>Potential commercial deals to enhance Winter Security of Supply</b> <ul style="list-style-type: none"> <li>Potential industry actions to improve security of supply including Huntly (Heads of Agreement) firming contracts</li> <li>Methanex gas deal</li> <li>Demand response deals</li> </ul>	<p><b>Huntly-backed contracts for 2026 onwards:</b></p> <p>Commercial Information</p> <p>Confidential advice to Government</p> <p><b>Methanex gas deal:</b></p> <p>Commercial Information</p> <p>Commercial Information</p> <p><b>Demand response deals:</b></p> <p>As reported on 3 March (with no change): The NZAS demand response tranches of 25MW; 50MW and 100MW are available to Meridian to call on this year. NZAS has also agreed to cap its production this winter at 50MW below maximum. We are not aware of any wider demand response deals under negotiation.</p>	Ongoing
Electricity pipeline updates	<p>Transpower are preparing an update for you on their connection queue.</p> <p>The EA have agreed to provide information to you on their generation pipeline dataset. This is currently undergoing an update and will be ready for a first update to you on 28 March and monthly thereafter.</p>	Ongoing
Gas exploration updates	No update this week.	Ongoing

## Stakeholder Updates

Title	Comment
<b>Helios solar consent</b> Tamara Linnhoff <small>Privacy of natural persons</small>	<p>Our most recent Weekly report included an update stating Helios had been consented for a 110MW solar farm, from which they expect to invest more than \$150m in the Ruapehu district. You asked how this was calculated.</p> <p>Helios confirmed this figure is a proxy for current large-scale solar capital expenditure, calculated on an estimated cost of <b>Confidential advice to Government</b></p>
<b>Lake Wanaka Preservation Act and Contact's The Neck project</b> Tamara Linnhoff <small>Privacy of natural persons</small>	<p>You recently asked for information on the Lake Wanaka Preservation Act 1973.</p> <p>The purpose of the Act is to preserve the normal water levels of the lake and the shoreline, and to maintain and improve water quality. The Minister for Conservation is the responsible Minister. They also appoint the Guardians of Lake Wanaka. Otago Regional Council implements the Act under the RMA.</p> <p><b>Confidential advice to Government</b></p> <p>About The Neck:</p> <ul style="list-style-type: none"> <li>• Lake Hawea is 60m above Lake Wanaka.</li> </ul> <p><b>Commercial Information</b></p> <ul style="list-style-type: none"> <li>• The Clutha river runs from Lake Wanaka: two-thirds of the Clutha's water is from Lakes Wanaka, Hawea and Wakatipu.</li> </ul> <p><b>Confidential advice to Government</b></p>
<b>Unintended Consequences Research Task</b> Scott Russell <small>Privacy of natural persons</small>	<p>The 'Hard-to-Reach Task' of the IEA's Energy Systems Technology Collaboration Programme has published its report 'Unintended Consequences - When well-intentioned energy interventions don't turn out the way they were intended'.</p> <p>New Zealand is a member of this international task with the Electricity Authority contributing funding to this research and MBIE providing some support. Several New Zealand policy examples are analysed, these are: Low Fixed Charges, Warm Up New Zealand/Warmer Kiwi Homes, Clean Car Discount/EV Road User Charges, Winter Energy Payment and Consumer Care Guidelines/Obligations.</p> <p>The report examines the reasoning for implementing these interventions and some of the unexpected outcomes. For example, the Low Fixed Charge regulations disincentivised household electrification and Warmer Kiwi Homes had unexpected health benefits.</p> <p>This is an academic report that will be published online, and we are not expecting this to generate notable media attention. In the event this report generates stakeholder or media interest your office can be provided with reactive lines.</p>
<b>Offshore wind stakeholder updates</b>	<p>On Tuesday 11 March <i>Energy News</i> reported that Sumitomo has paused its offshore wind investigation in New Zealand, given the Government's decision not to provide price stabilisation measures. <b>Confidential advice to Government</b></p>

## Confidential advice to Government

Two other offshore wind developers continuing to investigate projects in New Zealand – Taranaki Offshore Partnership and Parkwind – made oral submissions on the Offshore Renewable Energy Bill on Thursday 13 March 2025. Confidential advice to Government

In Australia, BlueFloat has asked the Australian Government to defer a decision on its application to develop an offshore wind farm in Illawara until after the federal election, citing concerns about its investment given political uncertainty. The opposition party has stated that it would cancel BlueFloat's permit if elected.

### Current appointments

# Confidential advice to Government

### Other Updates

Title	Comment
<b>Gas security of supply</b> Dominic Kebbell Privacy of natural persons	<b>New Pohokura well production below expectations</b>  Enerlytica has reported that gas production at the new well at Pohokura (OMV operated) is below expectations. The new well is delivering about 10 TJ/day of gas. For comparison, the previous well at this field produced about 30 TJ/day, and total gas production is currently around 260TJ/day. The reason for the disappointing result is not yet clear. It is possible further work could improve the output, but it is also possible that output could decline depending on the condition of the well. Methanex, Nova and Contact are the main buyers of gas from the

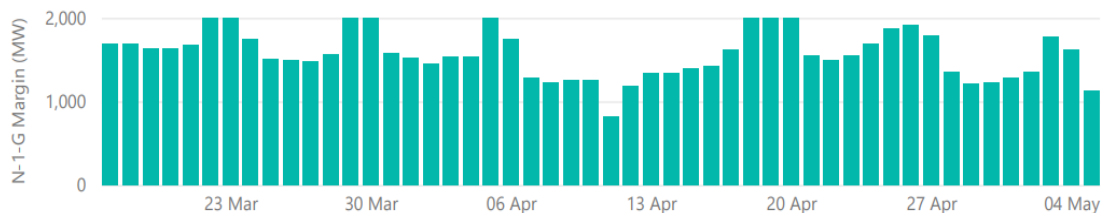
	Pohokura field (Methanex buys approximately half while Nova and Contact each buy about a quarter) and will be affected by the lower-than-expected production.
<b>Drafting the amendments to the Gas Governance Rules</b>	On 29 January, you agreed to the Recommendation from the Gas Industry Co on amendments to the Gas Governance Rules [BRIEFING-REQ-0006720 refers]. GIC has begun work on drafting the amendments. GIC held their first industry workshop in February, focussing on the amendments required for D+1 (the allocation process which estimates gas consumption for the day prior).

### ELECTRICITY CAPACITY (for the week to Sunday 9 March 2025)

Residual generation margins remained healthy last week, with over 1,000 MW available during all peaks. The lowest residual was 1,315 MW on Friday morning. This is because thermal unit commitment is high for this time of year with hydro storage declining.

The N-1-G margin is sufficient to meet peak demand in the look-ahead through to the beginning of May 2025:

#### NZGB Look-Ahead (excluding next 7 days)



Source: System Operator, Market Operations - Weekly Market Movements

### ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 9 March)

National hydro storage has decreased from 83% to 80% of the historic mean last week. South Island hydro storage dropped from 81% to 78%, and North Island storage dropped from 103% to 98% of the historic mean for this time of year. Inflows during January and February have been the lowest on record resulting in national storage currently sitting close to the 7th percentile.

### ELECTRICITY ('ENERGY') SUPPLY RISK (at 9 March)

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

#### New Zealand Energy Risk



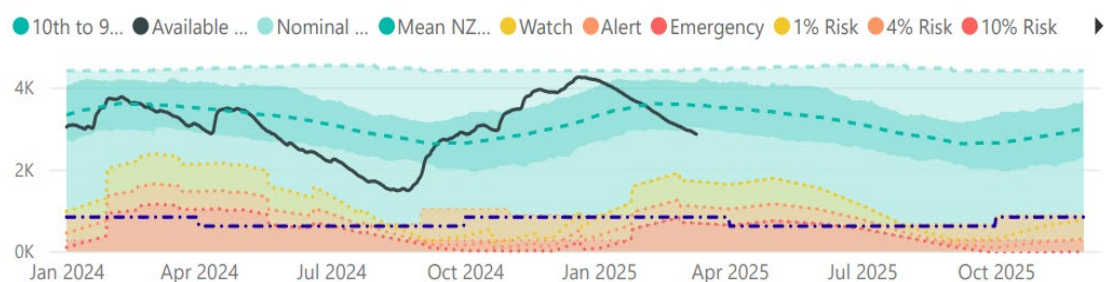
#### South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is below average for this time of year:

#### New Zealand Electricity Risk Status Curves (Available GWh)

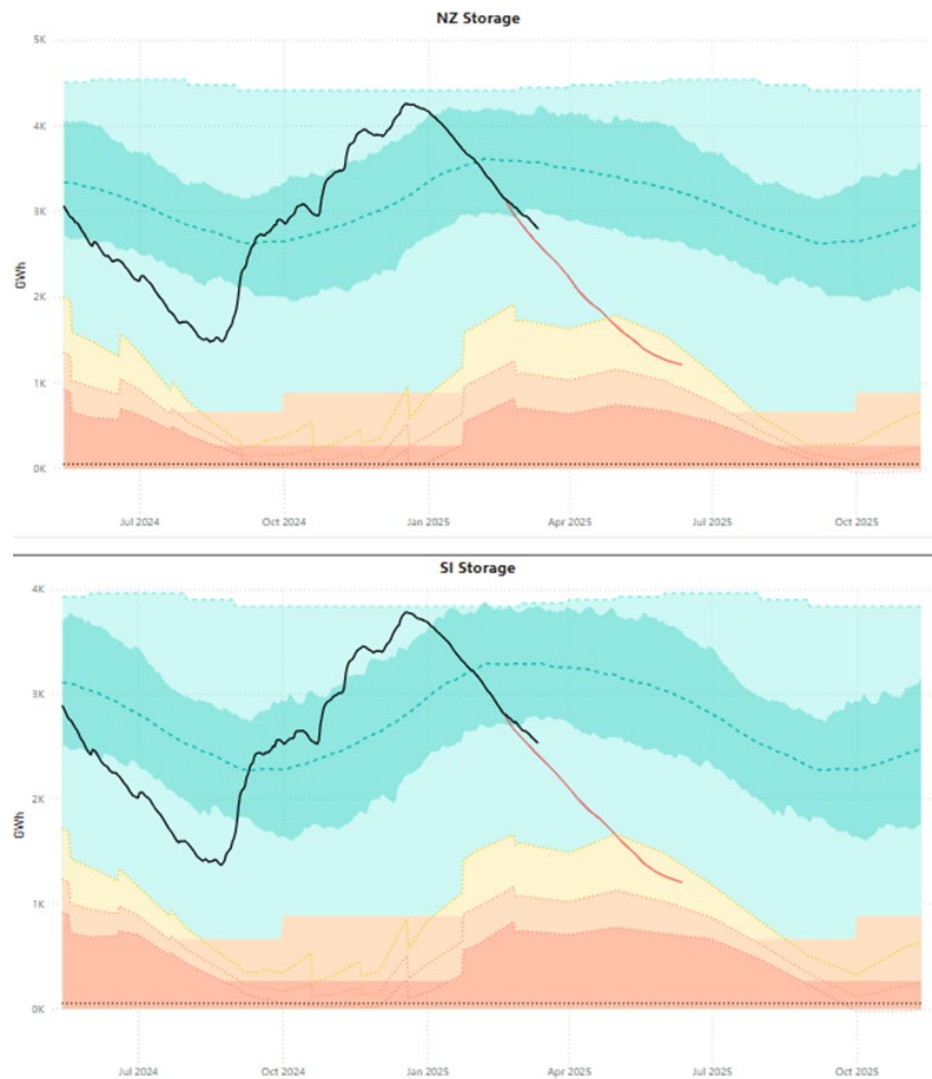


The System Operator last updated the ERCs on 28 February 2025. Commentary on that update is in the Weekly Report of 3 March 2025. The next ERC update is expected at the end of March.

Source: System Operator, Market Operations - Weekly Market Movements

**You have asked us to report on the number of days until the NZ system hits energy risk curves – if it does not rain.** In response, Transpower have provided the following charts. These charts show the actual storage level (black line) compared to the worst-case simulated storage trajectory (SST, red line). The SST is created using the lowest inflow on record for each week of the year.

**Weekly storage update: Week of March 10**



Data is presented for NZ as a whole and for the South Island specifically.

The SSTs are extended until they cross the Electricity Risk Curves and provide an estimated time until further action would be taken to address security of supply.

Further information on this timing is provided in the table below

Worst SST				
Region	Date Watch	Days to Watch	Date Alert	Days to Alert
NZ	26/04/2025	45	1/10/2025	203
SI	1/05/2025	50	6/09/2025	178



Electricity Security Outlook (ERCs and worst-case SST) created on: 26/2/25.  
Actual storage as at: 12/3/25.

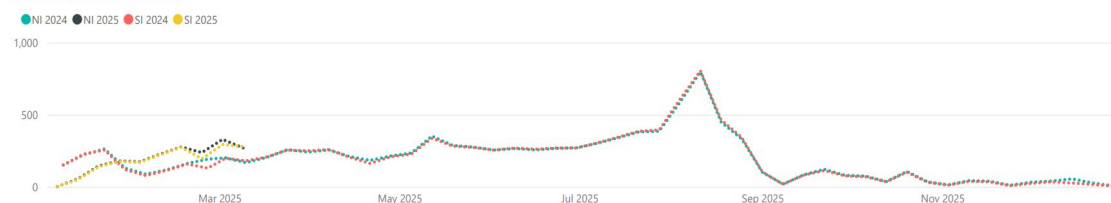
Transpower have noted: *Whilst actual hydro storage can be up to date each week, the Energy Risk Curves and SSTs are modelled monthly so would not change with weekly reporting. The further out these “worst case” inflows are extended the less plausible they become.*

We have asked that the information is provided weekly, and in future weeks also includes ‘Date emergency’ and ‘Days to emergency’.

## WHOLESALE ELECTRICITY PRICES

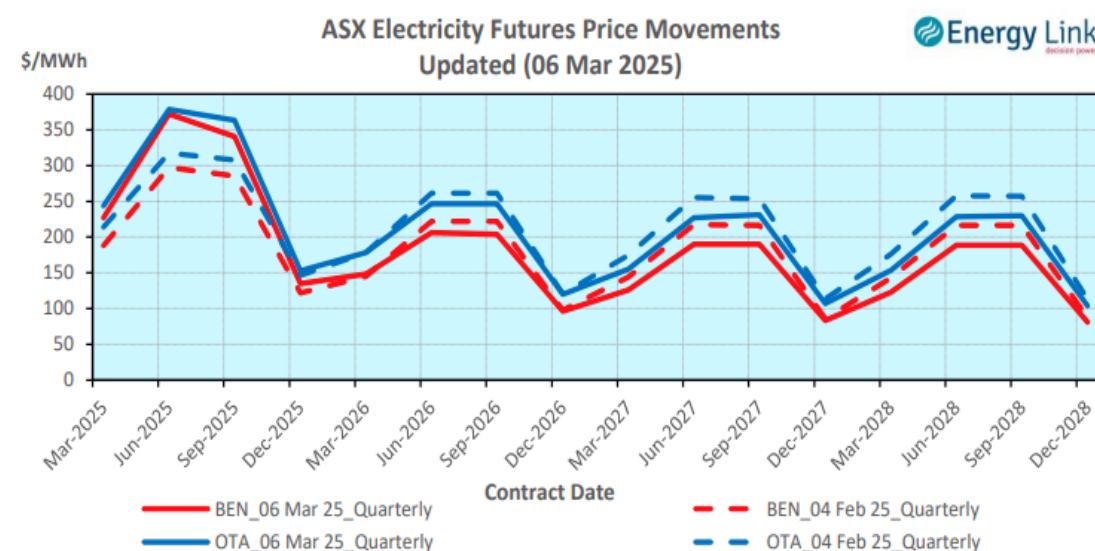
### Weekly Spot Price (week ended 9 March)

Weekly Spot Price - \$/MWh



Source: System Operator, Market Operations - Weekly Market Movements

### ASX Electricity Futures Prices (as at last available update 9 March)



Source: Energy Link, Energy Trendz Weekly

# Confidential advice to Government

## **Nature's Flame explores white pellet with Genesis**

Scott Russell  
Privacy of natural persons

On 7 March, Energy News reported that Nature's Flame is considering supplying Genesis Energy with white rather than torrefied (black) pellets. Natures Flame stated it thinks white pellets are more feasible than torrefied pellets in New Zealand at this time.

White pellets have different properties to torrefied pellets. While white pellets are easier and cheaper to manufacture at scale, they can't get wet and have less energy density than torrefied pellets. They are also not a drop-in replacement for coal like torrefied pellets and do not perform as well in the Rankine fuel mills.

Nature's Flame is one of several potential biomass suppliers that Genesis is working with.

In February, Genesis signed a terms sheet with Foresta Group to advance negotiations on the supply from the Australian firm's planned facility at Kawerau. On 14 March, Genesis and Carbona also announced an MOU towards supply of torrefied wood pellets.

A Genesis spokesperson stated torrefied pellets will make up most of their biomass demand, and that they are exploring supply of alternative pellet types which may supplement the torrefied pellet supply.

Officials are continuing to engage with Genesis on their plans for using biomass at Huntly through the woody bioenergy taskforce.

## Upcoming Ministerial Items

### 1. Upcoming Energy meetings

Meeting date	Meeting	Details
<b>Tuesday 18<sup>th</sup> March 2025</b> 9:15am - 9:45am	Vector	<b>Briefing Due:</b> 14 <sup>th</sup> March 2025 <b>Officials required:</b> Nick Gillard, Jack Weston
<b>Tuesday 18<sup>th</sup> March 2025</b> 2:15pm – 2:45pm	Carl Blanchard, PwC	<b>Lines Due:</b> 14 <sup>th</sup> March 2025 <b>Officials required:</b> N/A
<b>Thursday 20<sup>th</sup> March 2025</b> 9:15am - 10:10am	Minister to speak at Downstream	<b>Briefing Due:</b> 14 <sup>th</sup> March 2025 <b>Q&amp;A's due:</b> 7 <sup>th</sup> March 2025 <b>Officials required:</b> N/A
<b>Thursday 20<sup>th</sup> March 2025</b> 2:00pm – 3:00pm	Ribbon Cutting – Launching of Mobil Ethos+ Renewable Diesel R20	<b>Briefing Due:</b> 17 <sup>th</sup> March 2025 <b>Officials required:</b> N/A
<b>Thursday 20<sup>th</sup> March 2025</b> 3:30pm - 4:00pm	Brandon Keefe, PlusPower	<b>Briefing Due:</b> 14 <sup>th</sup> March 2025 <b>Officials required:</b> N/A

### 2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publically released shortly

# Information to be publically released shortly



### 3. Written Parliamentary Questions

None this week

#### 4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
1 April 2025	SW25-12	Privacy of natural persons	Update of our Standards

#### 5. Output plan

Confidential advice to Government

Confidential advice to Government



## Energy Portfolio Weekly Report

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**Week commencing:** 24/03/2025

**Priority:** Medium

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**Security classification:** In Confidence

**Tracking number:** BRIEFING-REQ-0011217

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**Recipient**

**Action sought**

**HON SIMON WATTS  
MINISTER FOR ENERGY**

**Note** the contents of this report

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Rebecca Heerdegen

**Policy Director**

Energy Markets Branch

Ministry of Business, Innovation and Employment

Privacy of natural persons

**21 March 2025**

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Minister's comments:

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**Energy Portfolio**  
**Draft Officials' Meeting Agenda**  
**11:15am – 11:30am Tuesday, 25 March 2025**

Item	Subject	People	Oral Item / Paper #	Action Required
Confidential advice to Government				
2.	Weekly Report & Work Programme	Minister	Oral	Discussion
3.	Any other business	All	Oral	Discussion

**Ministry of Business, Innovation & Employment officials attending:**

Name	Position
Carolyn Tremain	Chief Executive and Secretary (Tentative)
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets

Key Updates

Title	Comment
<div>Implementing Electrify NZ</div> <div>Daniel Brown</div> <div>Privacy of natural persons</div>	<p>The Minister for Resource Management Reform took a paper to Cabinet Business Committee on 17 March 2025 with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks. We have provided you with talking points for Cabinet on 24 March 2025 on next steps for this work. These include consideration of the recent decision to decline Contact Energy’s windfarm application in Southland</p> <p>You have a meeting scheduled with the Minister for Resource Management Reform on 1 April 2025 to discuss resource management issues. This is an opportunity to discuss the national direction programme, and the content and process for the RMA replacement legislation.</p> <p>The Minister for Infrastructure has sought your comments on two potential new Fast-track energy projects. We provided you with advice on these projects, and draft response letters, on 20 March 2025.</p>
<div>New permitting regime for offshore renewable energy</div> <div>Melanee Beatson</div> <div>Privacy of natural persons</div>	<p><i>Select Committee</i></p> <p>The departmental report-back to the select committee has shifted out one week to 10 April 2025. We now intend to provide you a draft of the report on 1 April 2025, for information and potential policy decisions by 3 April 2025.</p> <p>Confidential advice to Government</p> <p><i>Timing of the regime</i></p> <p>You provided direction on the timeline for the first feasibility permit round on Monday 20 March 2025. The regulator (MBIE Resources Branch) intends to provide a briefing to you in April on the implementation plan.</p> <p>Confidential advice to Government</p>

Confidential advice to Government

# Confidential advice to Government

**Mid-Point Review  
of the Low Fixed  
Charge Regulations  
and ERANZ/ENA  
decision on  
whether to inflation  
adjust extension of  
Power Credits  
Scheme**

Tamara Linnhoff

Privacy of natural persons

At the time of writing, ERANZ and the ENA are still considering whether they can commit to \$5 million (plus an inflation adjustment) 5-year extension of the Power Credits Scheme. The ENA board met on 27 February and signalled we could expect a response in the week commencing 10 March. At the time of writing (20 March) no response has been received.

In your comments on the recent LFC briefing (BRIEFING-REQ-0009137) you signalled agreement to the planned next steps:

- Once the ERANZ/ENA agreement is confirmed (and is affirmative), we will publish the Mid-Point Review report and the accompanying Sense Partners' analysis. Our timing depends on when ERANZ and ENA confirm their decision.
- A draft Press Release, draft media lines and Q&A will be provided to your office a week prior to publication. We will hold a media background briefing with interested journalists then publish the next day.

## Key actions tracker

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
<b>Energy Competition Taskforce</b> Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	<i>1A Sleeving (firm generation) for PPAs:</i> EA is reviewing submissions.	<b>On track</b> Consultation on level playing field measures closes in April.
	<i>1B Standardised flexibility contracts:</i> Initial offer round held. EA is monitoring liquidity (or lack of).	
	<i>1C+D sharing flexibility and level playing field measures:</i> Consultation commenced 27 February. EA will hold in-person 'roadshow' engagements late March in Christchurch, Wellington and Auckland.	
	<i>2A+B+C Better compensating household power injection and time of use plans:</i> Consultation underway, code change decisions expected in June 2025.	
	<i>2D Better compensating industrial demand response:</i> EA/Commission team working up options for Taskforce then EA board consideration, ahead of potential consultation.	
<b>Carbon Capture and Storage (CCS)</b> Creating an enabling regulatory regime for CCS which could improve the economics of gas production	MBIE and MfE are finalising a briefing to joint Ministers with a preferred regulatory approach to both consenting and CCUS-specific approvals. Confidential advice to Government [REDACTED]	<b>Delayed</b> Advice to joint Ministers on legislative design on 24 March.
Confidential advice to Government		
<b>Contingent hydro storage (Transpower/industry)</b> A review of the process for which access to contingent hydro storage is triggered (the amount of contingency available is set by consents)	Transpower launched consultation on their risk assessment framework on 10 March. Consultation is underway and ends 31 March. You have asked for information on timeframes to Transpower's decision. <ul style="list-style-type: none"> <li>Transpower's next steps will be to review submissions and cross-submissions then communicate their view on next steps Mid-April.</li> <li>If Transpower consider a Code change is warranted, they will develop and consult on a draft amendment proposal, then submit a SOSFIP amendment proposal to the Authority. Transpower would aim to complete this process in 2025.</li> <li>Then, the EA board would consider (and possibly decide) to amend the Code.</li> </ul> Commercial Information [REDACTED]	<b>On track</b> Transpower's consultation will close 5pm Monday 24 March and then there will be one week for cross-submissions.

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government		
<b>Consumer demand response and Solar</b> Confidential advice to Government	Confidential advice to Government This week, we met with Rewiring Aotearoa to discuss their experiences; key areas for further investigation include distribution network export limits and trusted information for consumers (in particular cost breakdowns). Many of the issues discussed related to industry practices rather than policy settings.	On track
<b>Electricity (Hazards from Trees) Regulations</b>	Confidential advice to Government	

Confidential advice to Government		
<b>Offshore Renewable Energy</b>	We are preparing the departmental report for the Bill. We are working with the Parliamentary Counsel Office on the feasibility permit regulations. We are preparing advice on targeted consultation of an exposure draft of the regulations. We are also preparing advice on the scope of the first round.	On track ECO considers cost-recovery regulations 26 March.

Confidential advice to Government		
<b>Electricity and Gas Safety Standards</b> Updating more than 400 references to international standards in the regulations to reduce installation costs for solar and EV chargers	Changes are currently being drafted by PCO. Confidential advice to Government	

Action and outcome	Updates (if any)	Status and upcoming milestones
<b>Hydrogen exports</b>	MFAT, MBIE and MFE held a meeting with Obayashi on 6 March to understand its proposal further and determine what, if anything, is required from Government to support hydrogen export access to Japan and potentially Singapore. We worked through New Zealand's process for certifying exports against international standards – based on this discussion a dedicated government to government arrangement may not be required. We are now awaiting further advice from Obayashi which is expected to take some weeks.	On track
<b>Woody Bioenergy</b> Investigating barriers to the development of the domestic supply chain and export opportunities for woody bioenergy.	We have been continuing stakeholder engagement and will report back in early April. Last week Carbona announced they were progressing on developing black pellet supply with Genesis, by signing an MOU to support their continuing negotiations.	On track
<b>Led by other Ministerial portfolios</b>		
<b>Resource Management Improvements</b>	The Minister for Resource Management Reform took a paper to CBC on 17 March with proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks. We have provided you with talking points for Cabinet on 24 March on next steps for this work in light of the recent decision to decline Contact Energy's windfarm application in Southland.	On track
<b>Public EV Charging Funding Model</b> Governments funding model for public EV charging (to concessional loans)	Confidential advice to Government	
<b>Industry developments</b>		
<b>Potential commercial deals to enhance Winter Security of Supply</b> <ul style="list-style-type: none"> <li>Potential industry actions to improve security of supply including Huntly (Heads of Agreement) firming contracts</li> <li>Methanex gas deal</li> <li>Demand response deals</li> </ul>	<p><b>Huntly-backed contracts for 2026 onwards:</b> Commercial Information</p> <p><b>Methanex gas deal:</b> Commercial Information</p> <p><b>Gentailer updates of note:</b> Commercial Information</p> <p><b>Demand response deals:</b> As reported on 3 March (with no change): The NZAS demand response tranches of 25MW; 50MW and 100MW are available to Meridian to call on this year. NZAS has also agreed to cap its production this winter at 50MW below maximum. We are not aware of any wider demand response deals under negotiation.</p>	Ongoing

Action and outcome	Updates (if any)	Status and upcoming milestones
Electricity pipeline updates	<p>Transpower are preparing an update for you on their connection queue. We have followed up with Transpower on this.</p> <p>The EA have agreed to provide information to you on their generation pipeline dataset. This is currently undergoing an update and will be ready for a first update to you on 28 March and monthly thereafter.</p>	Ongoing
Gas exploration updates	<p>The new well at Pohokura (OMV) is delivering below expectations (10 TJ/day against expectations of 25-30 TJ/day – adding around 3.5% to gas production of 260TJ/day).</p> <p>Commercial Information</p>	Ongoing

## Stakeholder Updates

Title	Comment
<p><b>Contact Energy's South Island windfarm consent</b></p> <p>Daniel Brown Privacy of natural persons</p>	<p>Contact Energy's application for the consent of a 330 MW windfarm project under the Covid-19 fast-track consenting system was declined. The specialist consenting panel found "the impacts of the project - particularly on the Jedburgh Plateau - would be difficult to mitigate or offset or compensate for."</p> <p>Contact Energy will take time to review the decision before assessing the next steps. It could appeal to the High Court within 15 working days, only on points of law.</p>
<p><b>Engagement with medium to small industrial and commercial gas users</b></p> <p>Scott Russell Privacy of natural persons</p>	<p>We have been engaging with stakeholders about issues medium and smaller industrial and commercial gas users are having with gas prices and difficulties in contracting gas supply. We will provide you with insights from this engagement in the next couple of weeks as part of gas security of supply work.</p> <p>As part of this work, we recently met with Martin Gummer, a Managing Director of energy management solutions company Optima. Mr Gummer had written to Minister Jones about the impact of the gas situation on a range of gas users (mainly businesses). <b>Commercial Information</b></p> <p>[REDACTED]</p>
<p><b>Bio-gas potential: Follow up from meeting Clarus</b></p> <p>Dominic Kebbell Privacy of natural persons</p>	<p>At your meeting with Clarus on 21 February, Paul Goodeve noted the potential for New Zealand to benefit from a significant amount of energy from biogas.</p> <p>A 2023 report by Blumney commissioned by Clarus identified that around 4.9PJ of biogas is used annually, but there is the potential for a further 9.5 PJ a year of biogas in the North Island and 9.1 PJ a year in the South Island.</p> <p><b>Commercial Information</b></p> <p>[REDACTED]</p> <p>The Government's <i>Waste and Resource Efficiency Work Programme 2024-2026</i> includes an ongoing action to investigate ways of improving organic waste disposal and landfill gas capture. We will engage with Ministry for the Environment, alongside Clarus, on the Programme and provide you with a further update.</p> <p>Separately we are continuing to identify opportunities to enable biogas uptake and production. <b>Confidential advice to Government</b></p> <p>[REDACTED]</p>



# Confidential advice to Government

## Other Updates

Title	Comment
<b>Gas security of supply</b>  Dominic Kebbell <small>Privacy of natural persons</small>	<p>Firstgas is looking to alleviate recent high pressure in the Maui pipeline in Taranaki during a compressor station outage between 17 March and 28 March. This outage means Firstgas has less ability to manage pressure in this part of the pipeline with this compressor unavailable. Firstgas would like participants that purchase gas from producers to help reduce pressure in the pipeline through maintaining a balanced position where they avoid requesting significantly more gas be transported through the pipeline than they consume.</p> <p><small>Commercial Information</small></p>
<b>Fuel market competition</b>  Dominic Kebbell <small>Privacy of natural persons</small>	<p>Z Energy has announced plans to open 25 new unstaffed service stations by July 2025 – a competitive move by the company. In recent years, Z's smaller competitors such as Gull, NPD and Waitomo have expanded their operations using the 'unstaffed' business model.</p> <p>Between 2015 and 2025, the number of Gull sites increased from 63 to 123; the number of NPD sites from 31 to 113; and the number of Waitomo sites from 25 to 107. Over the same ten-year period, the number of Z sites decreased from 234 to 186.</p> <p>On 30 April 2024, the Commerce Commission observed that areas which include at least one unstaffed fuel station within a five-minute drive have prices that are on average six cents per litre lower than those areas without unstaffed stations.</p> <p>The first site under construction by Z is an entirely new site (Hillsborough Road, Auckland). The rest will be converted from existing Caltex sites (9), and Z sites (15), with job losses to be expected. According to Z, most will be in major North Island cities, and two will be in Christchurch. The sites will operate under the Australian 'U-Go' brand and will not include EV chargers or convenience stores.</p>

# Confidential advice to Government

## Electricity Authority Retail Market Monitoring Notice

Scott Russell  
Privacy of natural persons

On 17 March 2025, the Electricity Authority released their decision paper on their retail market monitoring information notice (the Notice). The EA has decided to introduce mandatory retailer reporting of domestic and small business customer data to increase transparency and accountability in New Zealand's electricity market.

The Notice compels retailers to provide information on things such as:

- account data,
- installation control point data,
- billing data,
- volume and tariff rates, and
- half hourly metering data.

The Notice also contains prescribed customer care data relevant to MBI's work on customer care and energy hardship. This includes disconnection for non-payment, debt levels, the number of medically dependent consumers, and number of bonds charged.

Retailers will be required to begin supplying the data to the EA by 31 August 2025, for data covering 1 January to 31 July 2025, and on a monthly basis after that.

There are linkages between the EA's retail market monitoring and MBI's potential consumer data right (CDR) for electricity, in the latter retailers will be required to provide information being collected to the EA and as prescribed under the Customer and Product Data Bill.

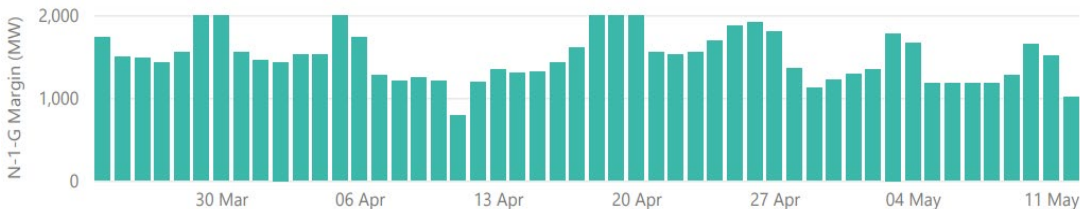
The EA and MBI are working closely together on our respective work programmes and will work to understand how the Notice and a CDR for electricity can complement each other, especially through standardising the format and delivery of data in near instantaneous ways.

**ELECTRICITY CAPACITY (for the week to Sunday 16 March 2025)**

Residual generation margins remained healthy last week, with over 1,000 MW available during all peaks. The lowest residual was 1,550 MW on Monday evening. Recent high residual is due to increased thermal unit commitment for this time of year related to the declining hydro storage, as well as relatively low demand.

The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid-May 2025:

NZGB Look-Ahead (excluding next 7 days)



Source: System Operator, Market Operations - Weekly Market Movements

**ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 16 March)**

National hydro storage decreased from 80% to 77% of the historic mean last week. Inflows during January and February have been the lowest on record resulting in national storage currently sitting below the 6th percentile for this time of year. Nationally, hydro lake storage is nearing a one-in-93 year low. However as noted below, Transpower has calculated that even if the currently modelled worst-case inflows occur going into this winter, we would not cross the Emergency Curve (would not run out of energy for electricity generation).

South Island hydro storage dropped from 78% to 76%, and North Island storage dropped from 99% to 90% of the historic mean for this time of year.

**ELECTRICITY ('ENERGY') SUPPLY RISK (at 16 March)**

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.

New Zealand Energy Risk



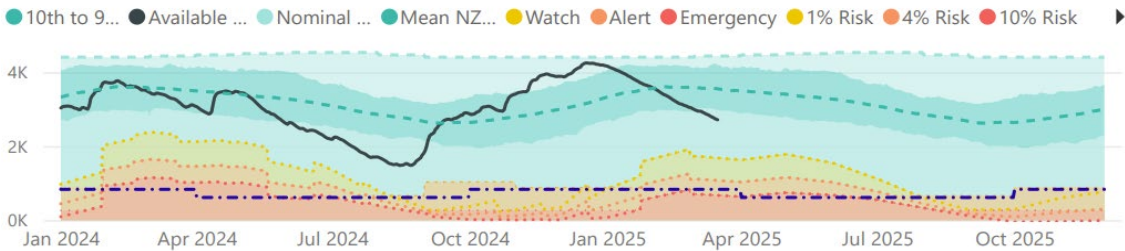
South Island Energy Risk



Normal Watch Alert Emergency

New Zealand controlled energy storage is below average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)

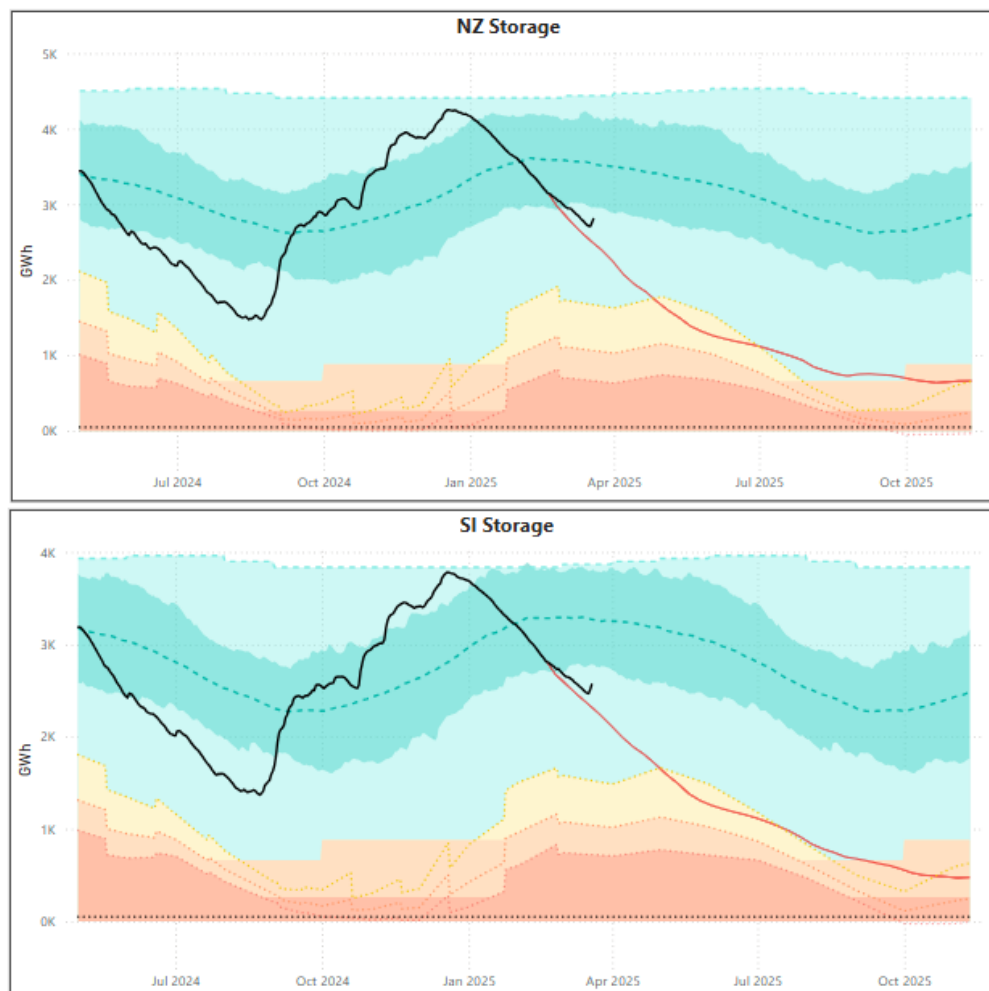


The System Operator last updated the ERCs on 28 February 2025. Commentary on that update is in the Weekly Report of 3 March 2025. The next ERC update is expected at the end of March.

Source: System Operator, Market Operations - Weekly Market Movements

**You have asked us to report on the number of days until the NZ system hits energy risk curves – if it does not rain.** In response, Transpower have provided the following charts. These charts show the actual storage level (black line) compared to the worst-case simulated storage trajectory (SST, red line). The SST is created using the lowest inflow each week over the past 93 years of historic records. This is highly unlikely to eventuate, Transpower models this red line ‘to prepare for the worst.’

**Weekly storage update: Week of March 19**



The SSTs are extended until they cross the Electricity Risk Curves and provide an estimated time until further action would be taken to address security of supply. The actions differ at Watch, Alert or Emergency status (BRIEFING-REQ-0008374).

The table below shows the number of days until each curve would be crossed, based on worst case inflows. These are not a forecast of future inflows but are a guide to the maximum time available before it needs to rain. Hydro storage would cross the watch curve on 26 April for New Zealand as a whole and 1 May for the South Island. Storage would cross the South Island alert curve on 6 September and the national alert curve on 1 October.

Storage is not projected to cross the Emergency Curve even if worst-case inflows occur.

**Worst case inflows - Time to cross successive risk curves**

Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	26/04/2025	38	1/10/2025	196		
SI	1/05/2025	43	6/09/2025	171		

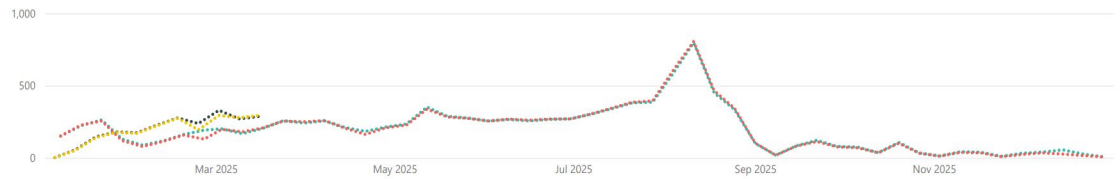
The ERCs and worst-case inflows line were created on 26 February. Actual storage is as at 19 March.

## WHOLESALE ELECTRICITY PRICES

### Weekly Spot Price (week ended 9 March)

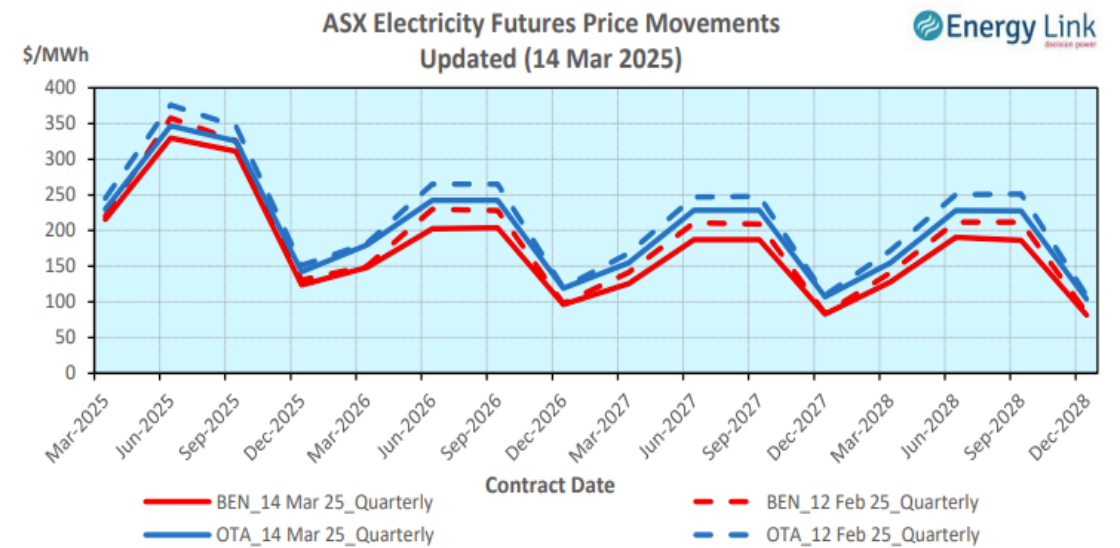
Weekly Spot Price - \$/MWh

● NI 2024 ● NI 2025 ● SI 2024 ● SI 2025



Source: System Operator, Market Operations - Weekly Market Movements

### ASX Electricity Futures Prices (as at last available update 14 March)



Source: Energy Link, Energy Trendz Weekly

# Confidential advice to Government

## Energy Fast-track Projects

Listed Project	Confidential advice to Government	Notes
Lodestone Energy Limited – Haldon Solar Project		Schedule 2 Listed Project
Genesis Energy Limited: Tekapo Power Scheme – Applications for Replacement Resource Consents		Schedule 2 Listed Project
Energy farms. Wellsford solar farm		Schedule 2 Listed Project
Black Points Solar Limited; Black Point Solar Farm		Schedule 2 Listed Project
Westpower, Waitaha Hydro		Schedule 2 Listed Project
Manawa Energy; Wheao Hydro Power Scheme Reconsent		Schedule 2 Listed Project
Manawa Energy; Kaimai Hydro Power Scheme Reconsent		Schedule 2 Listed Project
Tararua Wind Power Limited – a fully owned subsidiary of Mercury NZ Limited; Mahinerangi Wind Farm		Schedule 2 Listed Project
Tararua Wind Power Limited (a wholly owned subsidiary of Mercury NZ Limited); Waikokowai Wind Farm		Schedule 2 Listed Project
Tararua Wind Power Limited (a wholly owned subsidiary of Mercury NZ Limited); Tararua Wind Farm Repowering		Schedule 2 Listed Project
Eastland Generation – Waihi Hydro Re-consenting		Schedule 2 Listed Project
Mercury NZ Limited; Puketoi Wind Farm		Schedule 2 Listed Project
A and K Simpson. Balmoral Solar Farm.		Schedule 2 Listed Project
Manawa Energy; Huriwaka Wind Farm		Schedule 2 Listed Project
SolarGen Joint Venture; Foxton Solar Farm		Schedule 2 Listed Project
Tauhara North No.2 Trust; Rotokawa Solar Farm		Schedule 2 Listed Project

Far North Solar Farm Ltd; The Point Solar Farm	Confidential advice to Government	Schedule 2 Listed Project
Harmony Energy Ltd; Hinuera Solar Farm		Schedule 2 Listed Project
Harmony Energy Ltd; Bunnythorpe Solar Farm		Schedule 2 Listed Project
Kaimai Wind Farm Ltd; Kaimai Wind Farm		Schedule 2 Listed Project
Lochindorb Wind Limited Partnership; Kaihiku Wind Farm		Schedule 2 Listed Project

## Upcoming Ministerial Items

### 1. Upcoming Energy meetings

Meeting date	Meeting	Details
<b>Wednesday 26 March 2025</b> 12:00pm-12:30pm	Minister Jones meeting Robin Davies (Chief Executive), NZ Steel	<b>Briefing Due:</b> 24 <sup>th</sup> March 2025 <b>Officials required:</b> Sharon Corbett, Scott Russell
<b>Wednesday 26 March 2025</b> 4:15pm-4:45pm	GAS NZ (Jeffery Clarke and Nick Hannan)	<b>Briefing Due:</b> 24 <sup>th</sup> March 2025 <b>Officials required:</b> Dominic Kebbell
<b>Thursday, 27 March 2025</b> 11:00am-1:00 pm	Groundbreaking of Kaiwaikawe Wind Farm	<b>Speech Due:</b> 17 <sup>th</sup> March 2025 <b>Briefing Due:</b> 24 <sup>th</sup> March 2025 <b>Officials required:</b> N/A
<b>Friday, 28 March 2025</b> 3:45pm-4:45pm	Auckland Business Chamber	<b>Briefing Due:</b> 25 <sup>th</sup> March 2025 <b>Officials required:</b> Paul Stocks

### 2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publically released shortly



# Information to be publically released shortly

### 3. Written Parliamentary Questions

None this week

### 4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
28 March 2025	SW25-99	Privacy of natural persons	Investigate Vector’s pricing policies to ensure they comply with regulatory and consumer protection standards.
1 April 2025	SW25-12		Updating industry on progress and expected implementation date for the update of the Standards.

### 5. Output plan

Confidential advice to Government

Confidential advice to Government



## Energy Portfolio Weekly Report

<b>Week commencing:</b>	31/03/2025	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	BRIEFING-REQ-0011789

Recipient	Action sought
HON SIMON WATTS MINISTER FOR ENERGY	Note the contents of this report

Justine Cannon  
**General Manager**  
Energy Markets Branch  
Ministry of Business, Innovation and Employment

Privacy of natural persons

**28 March 2025**

Minister's comments:

# Energy Portfolio Officials' Meeting Agenda

8:00am – 9:00am Tuesday, 1 April 2025 (EW 4.5)

Item	Subject	People	Oral Item / Paper #	Action Required
1.	<b>Confidential advice to Government</b>			
2.	CCUS regulatory design	Sharon Corbett	BRIEFING-REQ-0011392	Discussion
3.	Meridian/Guardians advice on Manapouri Lake levels	Tamara Linnhoff Ed Smith Gareth Wilson	BRIEFING-REQ-0010687	Discussion
4.	RM reform	Daniel Brown	Oral	Discussion
5.	Weekly Report & Work Programme	Minister	Oral	Discussion
6.	Any other business	All	Oral	Discussion

## Ministry of Business, Innovation & Employment officials attending:

Name	Position
Carolyn Tremain	Chief Executive and Secretary
Paul Stocks	Deputy Secretary, Building, Resources and Markets
Justine Cannon	General Manager, Energy Markets
Sharon Corbett	Policy Director, Energy Markets
Daniel Brown	Manager, Electrify NZ
Tamara Linnhoff	Manager, Electricity Generation, Infrastructure and Markets Policy
Ed Smith	Principal Advisor, Electricity Generation, Infrastructure and Markets Policy
Gareth Wilson	Strategic Advisor Regulatory Policy and Practice, Electricity Generation, Infrastructure and Markets Policy

## Key Updates

Title	Comment
<p><b>Implementing Electrify NZ</b></p> <p>Daniel Brown Privacy of natural persons</p>	<p>Cabinet has confirmed proposals for replacement RMA legislation and next steps for RMA national direction – including the National Policy Statements for Renewable Electricity Generation and Electricity Networks. Further Cabinet decisions on the final detail of national direction are scheduled by May 2025, prior to release of a discussion document.</p> <p>The Resource Management (Consenting and Other System Changes) Amendment Bill is currently before Select Committee. The Minister for Resource Management Reform has sought your feedback on potential changes to the Bill to address issues raised in submissions. MBIE supports these changes, and we provided your office with comments on 24 March 2025.</p> <p>The Minister for Infrastructure has sought your comments on two potential new Fast-track energy projects. We provided you with updated advice on these projects (incorporating comments from MFE) on 27 March 2025.</p>
<p><b>New permitting regime for offshore renewable energy</b></p> <p>Melanee Beatson Privacy of natural persons</p>	<p><i>Departmental report</i></p> <p>The departmental report on the Offshore Renewable Energy Bill is due to be submitted to select committee by 4 April 2025. We will provide you a draft by 1 April 2025.</p> <p><b>Confidential advice to Government</b></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p><i>Offshore Renewable Energy Forum</i></p> <p>We are presenting online to the Offshore Renewable Energy Forum on 2 April 2025. This is a useful opportunity to provide a high-level outline of the timeline, and to foreshadow future possible announcements to help the industry to prepare. We have sent to your office key messages we propose to share for your consideration.</p>

<b>Hazards from Trees</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	<p><b>Confidential advice to Government</b></p> <p>[Redacted]</p> <p>[Redacted]</p>
<b>Mid-point Review of the Low Fixed Charge Regulations and ERANZ/ENA decision on whether to inflation adjust extension of Power Credits Scheme</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	<p>On Monday 24 April, ERANZ and ENA wrote to your office, agreeing to extend the \$5 million Power Credits Scheme for an additional five years from 2027 to 2032, and agreed to an inflation adjustment for years two to five. On 28 March we provided you a short briefing explaining the detail of the ERANZ and ENA proposal and a draft response letter.</p> <p>Once you confirm your decision on whether to accept the ERANZ and ENA proposal, we will press go on next steps to publish the Mid-point review of the phase-out of the LFC regulations report and the accompanying Sense Partners analysis report. As signalled in the recent LFC briefing (BRIEFING-REQ-0009137) a draft Press Release, draft media lines and Q&amp;A will be provided to your office. We will hold a media background briefing with interested journalists then publish the next day.</p>
<b>Targeted engagement for a potential Consumer Data Right for the Electricity Sector</b>  Scott Russell <small>Privacy of natural persons</small>	<p>On 27 March, the Customer and Product Data Bill passed.</p> <p>The Minister of Commerce and Consumer Affairs and you agreed to officials undertaking targeted engagement to support policy design for an Electricity sector consumer data right. Subsequently, officials commenced targeted engagement and have since met with Electricity Networks Aotearoa (ENA) on 24 March. ENA support the potential electricity sector designation and we discussed the following matters:</p> <ul style="list-style-type: none"> <li>• EDBs role in an electricity CDR</li> <li>• The inclusion of power quality data in a CDR</li> <li>• Liability for inaccurate data</li> </ul> <p>We will meet with other key electricity stakeholders over the next couple of weeks. We will keep you updated through the weekly report on who we meet with and the issues they raise.</p>

**Confidential advice to Government**

**Securing a supply of reticulated gas for government agencies**

Rebecca Heerdegen  
Privacy of natural persons

In mid-2024, MBIE secured a short-term supply of gas for the continuation of public services (including critical services such as hospitals and prisons, as well as schools) through a centrally managed contract, with 88 agencies using this arrangement. This supply agreement with Genesis Energy expires 30 September 2025.

MBIE is planning to approach the market through the release of a Request for Proposal on 28 March 2025, closing 21 April 2025, to secure a deal beyond the expiry date of the current contract of 30 September 2025.

Confidential advice to Government

This work is being undertaken by New Zealand Government Procurement, which the Minister for Economic Growth has responsibility for. We will keep you updated as the work progresses.

# International relations



## Key actions tracker

Action and outcome	Updates (if any)	Status and upcoming milestones
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Confidential advice to Government

<b>Energy Competition Taskforce</b> Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	<i>1A Slewing (firm generation) for PPAs:</i> EA is reviewing submissions.	<b>On track</b> Consultation on level playing field measures closes in April.
	<i>1B Standardised flexibility contracts:</i> Initial offer round held. EA is monitoring liquidity (or lack of).	
	<i>1C+D sharing flexibility and level playing field measures:</i> Consultation commenced 27 February. EA held in-person 'roadshow' engagements during week of 24 March in Christchurch, Wellington and Auckland.	
	<i>2A+B+C Better compensating household power injection and time of use plans:</i> Consultation closed 26 March EA will now review submissions. Code change decisions expected in June 2025.	
	<i>2D Better compensating industrial demand response:</i> EA/Commission team working up options for Taskforce then EA board consideration, ahead of potential consultation.	
<b>Carbon Capture and Storage (CCS)</b> Creating an enabling regulatory regime for CCS which could improve the economics of gas production	We have briefed joint Ministers this week with a preferred regulatory approach to both consenting and CCUS-specific approvals.	Confidential advice to Government

Confidential advice to Government

<b>Contingent hydro storage (Transpower/industry)</b> A review of the process for which access to contingent hydro storage is triggered (the amount of contingency available is set by consents)	Transpower launched consultation on their risk assessment framework on 10 March. Consultation is underway and ends 31 March. If Transpower consider a Code change is warranted, they will consult on a draft amendment proposal, then submit a proposal to the Authority. Transpower would aim to do this by end 2025. The EA board would then consider (and possibly decide) to amend the Code.	<b>On track</b> Consultation ends 31 March.
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Confidential advice to Government

Action and outcome	Updates (if any)	Status and upcoming milestones
Confidential advice to Government	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>Officials have now met with Rewiring Aotearoa. This week officials also met with Australian distributor Solar Juice, the Electricity Authority, Toimata Foundation and SEANZ.</p> <p>Confidential advice to Government</p>	On track
Electricity (Hazards from Trees) Regulations	Confidential advice to Government	
Offshore Renewable Energy	<p>We are preparing the departmental report for the Bill.</p> <p>We are working with the Parliamentary Counsel Office on the feasibility permit regulations. We are preparing advice on targeted consultation of an exposure draft of the regulations. We are also preparing advice on the scope of the first round.</p>	<p>On track</p> <p>Departmental report due to select committee by 4 April 2025</p>
Permitted Voltage Range	Confidential advice to Government	
Electricity and Gas Safety Standards	<p>Changes are currently being drafted by PCO.</p> <p>[Redacted]</p>	[Redacted]
Hydrogen exports	<p>MFAT, MBIE and MFE held a meeting with Obayashi on 6 March to understand its proposal further and determine what, if anything, is required from Government to support hydrogen export access to Japan and potentially Singapore. We worked through New Zealand's process for certifying exports against international standards – based on this discussion a dedicated government to government arrangement may not be required. We are now awaiting further advice from Obayashi which is expected to take some weeks.</p>	On track

Action and outcome	Updates (if any)	Status and upcoming milestones
<b>Woody Bioenergy</b> Investigating barriers to the development of the domestic supply chain and export opportunities for woody bioenergy.	We have been continuing stakeholder engagement and will report back in early April. This week’s stakeholder meetings included the Bioenergy Association and biomass suppliers Nature’s Flame and Azwood.	On track
Led by other Ministerial portfolios		
<b>Resource Management Improvements</b>	Confidential advice to Government	On track
<b>Public EV Charging Funding Model</b> Governments funding model for public EV charging (to concessional loans)	Confidential advice to Government	
Industry developments		
<b>Potential commercial deals to enhance Winter Security of Supply</b> <ul style="list-style-type: none"><li>Methanex gas deal</li><li>Potential industry actions to improve security of supply including Huntly (Heads of Agreement) firming contracts</li><li>Demand response deals</li></ul>	<b>Methanex gas deal:</b> Commercial Information Commercial Information        Commercial Information Commercial Information      <b>Huntly-backed contracts for 2026 onwards:</b> Commercial Information      <b>Demand response deals:</b> As reported on 3 March (with no change): The NZAS demand response tranches of 25MW; 50MW and 100MW are available to Meridian to call on this year. NZAS has also agreed to cap its production this winter at 50MW below maximum.	Ongoing

Action and outcome	Updates (if any)	Status and upcoming milestones
	We are not aware of any wider demand response deals under negotiation.	
<b>Electricity pipeline updates</b>	Transpower are preparing an update for you on their connection queue. We have followed up with Transpower on this. The EA have agreed to provide information to you on their generation pipeline dataset and signalled this would be on 28 March and monthly thereafter.	<b>Ongoing</b>
<b>Gas exploration updates</b>	The new well at Pohokura (OMV) is delivering below expectations (10 TJ/day against expectations of 25-30 TJ/day – adding around 3.5% to gas production of 260TJ/day). <b>Commercial Information</b> [Redacted] [Redacted] [Redacted] [Redacted]	<b>Ongoing</b>

## Stakeholder Updates

Title	Comment
<b>Orion NZ Limited's application for exemption from the LFC Regulations</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	<b>Confidential advice to Government</b> [Redacted] [Redacted] [Redacted] [Redacted]
<b>Meridian Energy's Ruakākā Solar Energy Farm</b>  Tamara Linnhoff <small>Privacy of natural persons</small>	Meridian Energy made a final investment decision on its 130 MW solar farm, located at its Ruakākā Energy Farm in Northland. The \$227 million project will boost Northland's energy resilience and will be capable of powering half the homes in Northland. It is expected to be at full generation in early 2027.  One of the sites is next to Meridian's 100 MW battery energy storage system (BESS). The BESS is expected to be fully operational next month.

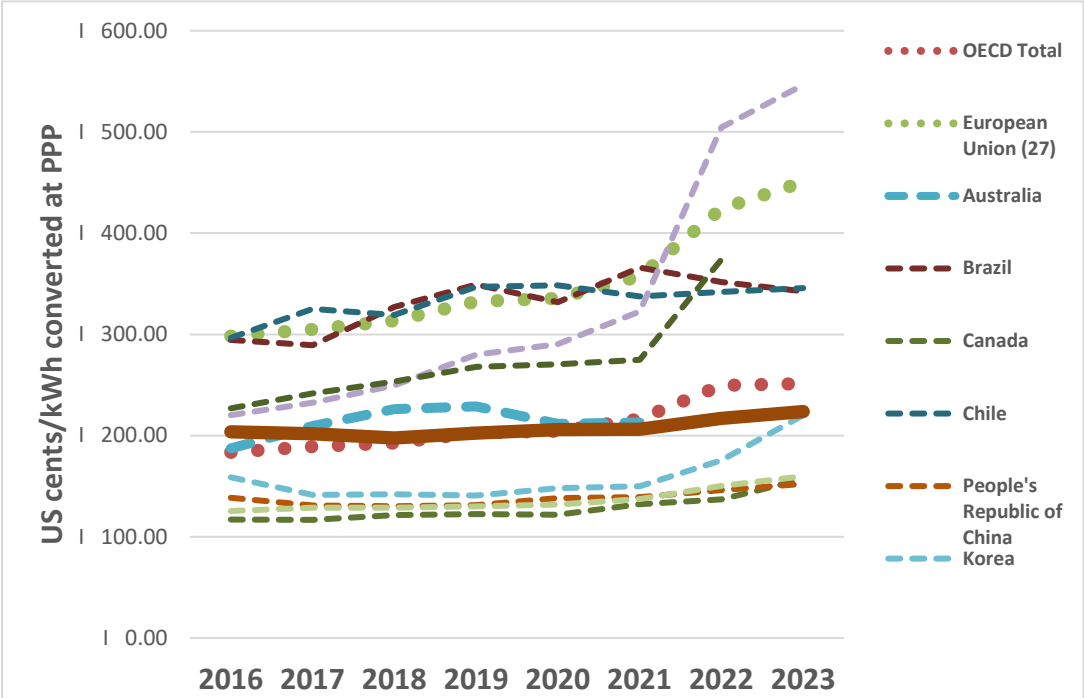
<b>Contact Energy's Southland wind farm</b>  Daniel Brown <small>Privacy of natural persons</small>	Contact Energy's application for consent of a 330 MW windfarm under the old Covid-19 Fast-track legislation was recently declined. On 27 March 2025 Contact announced it would both launch an appeal to the High Court on this decision, and also re-apply for consent under the new Fast-track legislation.
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Confidential advice to Government

Current appointments

Confidential advice to Government

## Other Updates

Title	Comment
<p><b>Investor reports on the NZ energy sector – we will send these to your office, regularly</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>You have requested MBIE provide investor reports that focus on the NZ energy sector and specifically asked for reports by Australian investment advisors.</p> <p>We are regularly forwarding reports by Forsyth Barr and Jarden to your office. As a one off, we obtained and shared UBS reports on Contact, Genesis, Mercury and Meridian (while UBS is an offshore bank these are written by a NZ-based analyst). When published, we will also provide reports by Craig Investment Partners and Minter Ellison. We met recently with Macquarie Investment Bank and will send anything they share with us. We can now also access Reuters and will send anything relevant to your office.</p> <p>We have researched whether further Australian sources exist and have been advised by an Australian specialist that ‘overseas investors are not interested enough in the NZ market to be writing reports.’</p> <p>On 21 March we met with Macquarie Investment Bank’s Head of Government Relations Hannah Low. Ms Low highlighted overseas investors <u>are</u> keen to invest in generation here but are looking for some regulatory certainty of government focus via a commitment to a finance-smoothing scheme as used in other countries.</p>
<p><b>Retail electricity prices: NZ is 8<sup>th</sup> lowest in IEA data</b></p> <p>Tamara Linnhoff Privacy of natural persons</p>	<p>Your advisors requested information on how New Zealand’s retail electricity prices compare with overseas markets.</p> <p>New Zealand’s residential electricity prices compare favourably with those in OECD and other countries that report data to the International Energy Agency (IEA). We were ranked 8th lowest of 32 countries reported in 2023 (Australia is shown only to 2021; it did not report in 2022 or 2023).</p> <p><b>Average residential electricity prices (IEA data, US cents/kWh converted at purchasing power parity):</b></p>  <p>Source: IEA (2025) Energy Prices, <a href="http://www.iea.org/statistics">www.iea.org/statistics</a></p>

**Network price increases on 1 April 2025, and we can expect prices raises to industrial, commercials and households**

Tamara Linnhoff

Privacy of natural persons

Residential electricity prices are expected to increase soon to reflect the new network charges and also due to upward pressure from wholesale costs increases.

On 1 April 2025 the revenue cap for Transpower and 16 price-regulated EDBs increases, and those networks' new charges comes into effect. The other EDBs also reset prices around 1 April each year. The price increase is driven largely by increases in Transpower's and distributors' operating costs (due to inflation), higher interest rates and increase to capital expenditure to replace aging infrastructure.

Wholesale prices have been elevated since 2018 but, for the most part, this does not appear to have been passed through to consumer bills. Gentailers have signalled their intention to pass through higher wholesale prices and to 'rebalance across their generation and retail arms' and many independent retailers have also signalled price increases to take effect over the next few months. The amounts are uncertain and likely to vary depending on retailers' internal pricing strategies.

On 11 February we provided a briefing *Electricity pricing - drivers and expected changes* (BRIEFING-REQ-0008604). That included the following advice:

An average household's electricity bill could increase by around \$30 a month, April 2025 or later during 2025. The key factors driving this near-term increases and the estimated impacts on an average household's monthly bill (including gst) are:

Driver of 2025 price change	Estimated impact	Explanation
An increase in network-related (transmission and distribution) costs	\$10 ( <i>modelled average</i> )	The Commerce Commission (Commission) re-set allowable revenues for Transpower and 15 electricity distribution businesses (EDBs), retailers will pass this through to customers.
Sustained high wholesale electricity prices and potential rebalancing across gentailer wholesale and retail arms	\$15 ( <i>less certain estimate</i> )	An increase in wholesale prices (so costs to retailers) is being driven by higher spot and forward contract prices. Since 2018 wholesale costs have been elevated above estimates of long-run cost, potentially reflecting current fuel shortages and reflecting expected fuel risk. Some stakeholders consider higher prices also reflect lack of competition in the wholesale market.
Inflationary pressures on a retailer's own operations, and metering	\$6 ( <i>less certain estimate</i> )	Retail businesses also face inflationary costs including for metering services, we expect some/all of these will be passed through.

The electricity wholesale and retail markets include wholesale spot prices, forward contract prices, prices to industrials and retail prices to commercials and households. The market is designed for spot prices to spike – when reflecting scarcity. What matters most for affordability is longer term forward prices (that reflect expectations of secure supply or scarcity) as trending towards generation cost, and for industrials, independent generators and retailers to have access to risk management cover (forward hedges) at a fair price.

The International Energy Agency (IEA) publishes a comparison of electricity prices paid by industrials across OECD member states. This dataset does not include Australia and so we have asked Castalia's Australian office to add an Australian data series to the IEA data.

You have received advice on retailers' plans for price increases by the EA (on 27 March).

**Consumer care obligations come into force**

Scott Russell

Privacy of natural persons

The Electricity Authority's new Consumer Care Obligations (CCOs) for residential electricity consumers come into full force on 1 April 2025. These obligations now sit in the Electricity Industry Participation Code and come under the EA's compliance regime. The purpose, as stated in the Code, is to impose a set of minimum standards on all retailers requiring them to:

- adopt behaviours and processes that foster positive relationships with residential consumers
- support residential consumers in accessing and maintaining an affordable and constant electricity supply suitable for their needs
- help minimise harm to residential consumers caused by insufficient access to electricity or by payment difficulties.

The CCOs include provisions relating to consumer care policy, communications, records management, invoicing, payment difficulties, fees and bonds, disconnection and reconnection, working with support agencies, and medically dependent consumers. The EA has also released guidance to support retailers in implementing these obligations. The guidance is intended to assist retailers in identifying when and how they must comply with the obligations, including examples of good practices and minimum expectations.

# Confidential advice to Government



# Confidential advice to Government

## Single points of failure – electricity security of supply

Tamara Linnhoff  
Privacy of natural persons

You requested advice on “single points of failure on the network” and we understand referenced the Huntly Rankine units. We are working on this advice and are focussing on explaining how risks are identified, classified and the risk of cascade failure is managed by Transpower as System Operator. Confidential advice to Government

Our advice will build on the introductory briefing provided in February 2025, jointly with the EA and Transpower (BRIEFING-REQ-0008374 Overview of operational management of electricity security of supply).

## Gas security of supply

Dominic Kebbell  
Privacy of natural persons

### Fonterra says the new default price-path for gas pipelines should focus on long-term consumer outcomes

Fonterra’s submission on the proposed new default price-path for gas pipelines says that the Commission Commerce’s approach prioritises pipeline owners’ interests over long-term consumer outcomes. The Commerce Commission’s open letter seeking views on the new default price-path indicated they favour retaining changes made when the current default price-path was set in 2022 that allowed accelerated depreciation. This change was to reflect the expected shorter economic life of gas pipelines. Fonterra says this approach places further costs on end users and risks accelerating the shift from gas, not allowing sufficient time for the greater use of renewable gases. Fonterra has urged the Commerce Commission to work with the Ministry of Business, Innovation and Employment to develop a whole-of-market strategy to retain gas pipelines and integrate renewable gases.

### Confidential advice to Government

The Commerce Commission is scheduled to make a draft decision on the default price-path towards the end of the year and then final decisions in May 2026. The new default price-path will start from 1 October 2026.

### Nova Energy Chief Executive calls for gentailers to do deal with Methanex to secure gas

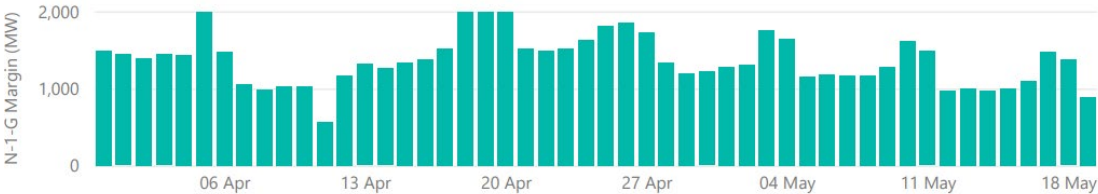
At the Downstream conference, Nova Energy Chief Executive Babu Bahirathan said that gentailers should do a deal with Mathanex now to secure gas for Winter 2025. He argued that this approach solved the energy situation last winter and that it does not make sense to export gas as methanol while importing coal for electricity generation. Mr Bahirathan said that the high carbon costs from coal use for electricity generation will drive electricity price increases, which is not sustainable for the economy. On the gas market, Mr Bahirathan noted that the current gas supply shortages happened despite the gas industry investing billions in the last few years and that “All of the drilling - pretty much every field - was a failure”.

**ELECTRICITY CAPACITY (for the week to Sunday 23 March 2025)**

Residual generation margins remained healthy last week with over 1000 MW available during all peaks. The lowest residual was 1833 MW on Wednesday morning. This is because thermal unit commitment is high for this time of year in response to record low inflows.

The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid-May 2025:

NZGB Look-Ahead (excluding next 7 days)



Source: System Operator, Market Operations - Weekly Market Movements

**OUTAGES PLANNED NEXT WEEK (for the week commencing 31 March)**

It is normal for there to be an increase in plant outage around this time of year, as generators ensure their equipment is ready for winter. Several significant sources of generation are expected to be on outages next week, including two of the Huntly Rankine Units, one of Nova's gas peakers, the Ahuroa gas storage facility – which will inhibit generation from Contact's gas-fired Stratford Power Station – and several renewable plants. This may reduce the generation available to the system by 1.5GW, although there is currently expected to be sufficient capacity available.

**ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 23 March)**

National hydro storage has **increased** from 77% to 81% of average for this time of year. South Island storage increased from 76% to 80% of its historical mean, while North Island storage dropped from 90% to 89%.

**ELECTRICITY ('ENERGY') SUPPLY RISK (at 23 March)**

The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves. This remains at 'Normal' level.

New Zealand Energy Risk



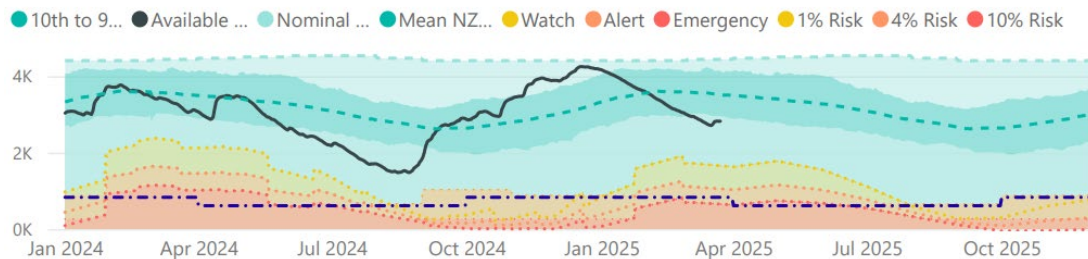
South Island Energy Risk



Normal Watch Alert Emergency

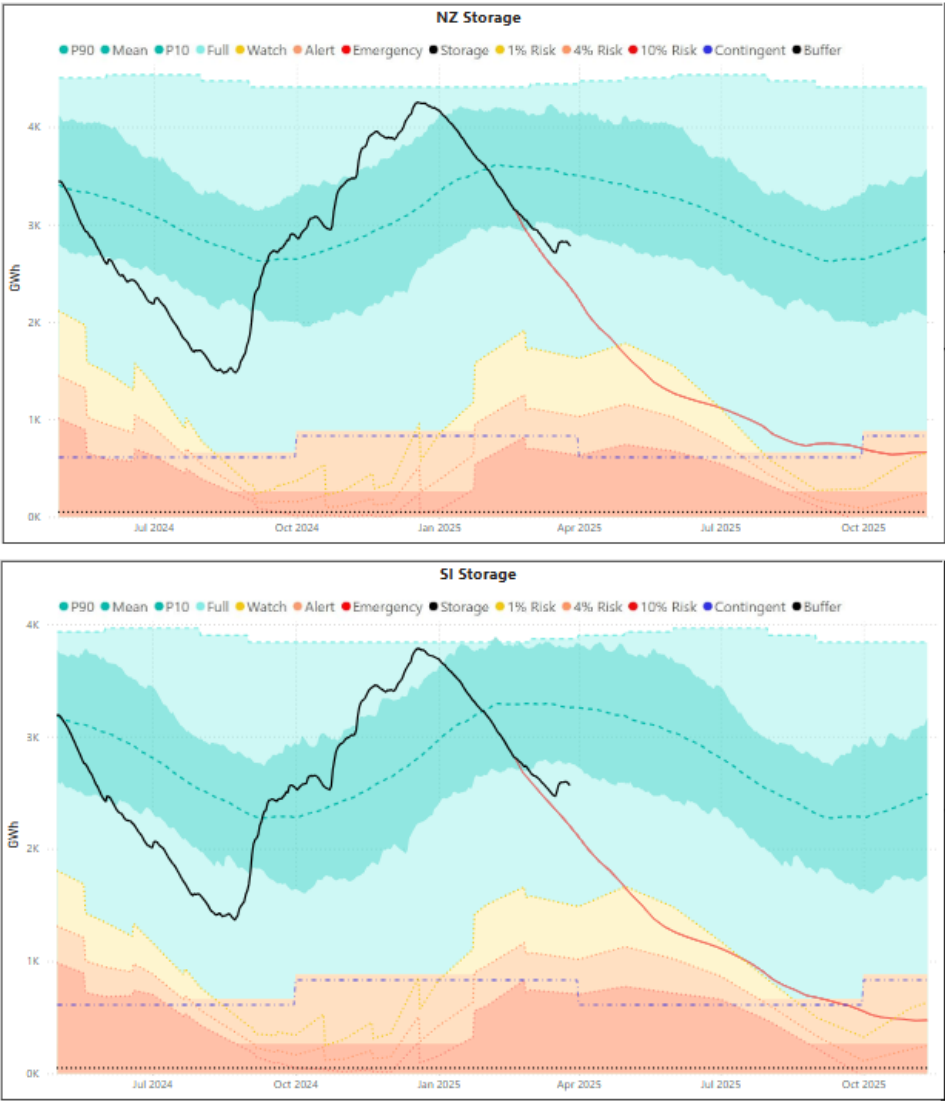
New Zealand controlled energy storage is below average for this time of year:

New Zealand Electricity Risk Status Curves (Available GWh)



Source: System Operator, Market Operations - Weekly Market Movements

You have asked us to report on the number of days until the NZ system hits energy risk curves – if it does not rain. In response, Transpower have provided the following charts, based on the late February ERCs. These charts show the actual storage level (black line) compared to the worst-case simulated storage trajectory (SST, red line). The SST is created using the lowest inflow each week over the past 93 years of historic records. This is highly unlikely to eventuate, Transpower models this red line ‘to prepare for the worst.’



The SSTs are extended until they cross the Electricity Risk Curves and provide an estimated time until further action would be taken to address security of supply. The actions differ at Watch, Alert or Emergency status (BRIEFING-REQ-0008374).

The table below shows the number of days until each curve would be crossed, based on worst case inflows. These are not a forecast of future inflows but are a guide to the maximum time available before it needs to rain. Hydro storage would cross the watch curve on 1 May for New Zealand as a whole and 13 May for the South Island. Storage would cross the South Island alert curve on 16 September and the national alert curve on 1 October.

Storage is not projected to cross the Emergency Curve even if worst-case inflows occur.

Worst case inflows - Time to cross successive risk curves						
Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	1/05/2025	36	1/10/2025	189	NA	NA
SI	13/05/2025	48	16/09/2025	174	NA	NA

The ERCs and worst-case inflows line were created on 26 February (new ERCs due 28 March). Actual storage is at 26 March.

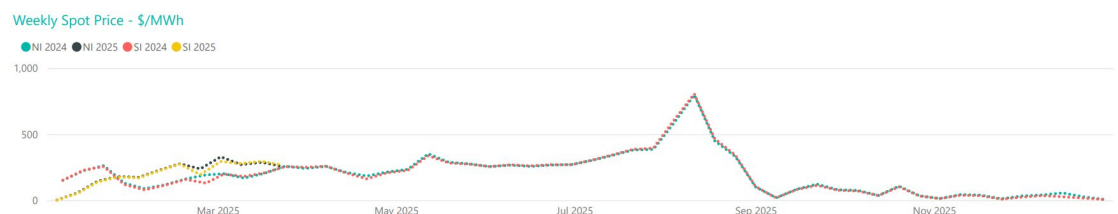
### TRANSPOWER'S MARCH ERCs SHOW A SLIGHT INCREASE IN RISK COMPARED TO THE FEBRUARY OUTLOOK

Transpower confirmed the March ERCs late on 27 March. This was too late for the above reported analysis to be re-run, this will be updated next week.

- The Electricity Risk Curves (ERCs) for 2025 and into 2026 have increased relative to the February update, largely due to a lower gas supply forecast reflecting recent observations, and lower gas storage and coal stockpile.
- Two Simulated Storage Trajectory (SST) crosses the ERCs in mid-late April 2025. No SSTs approach the Alert curve or the boundary of contingent storage. Transpower is not forecasting that we will reach Alert nor Emergency conditions.
- The ERCs assumes the market continues to supplement the existing coal stockpile and gas available for electricity generation to maintain increased thermal generation during low hydro inflows.
- Consistent with current indications by Methanex the ERCs assume Methanex will operate one train at 80 TJ/day. If Methanex sells more gas to gentailers, the ERC risk will decrease.
- The current rainfall outlook continues to indicate normal to dry conditions to prevail for the next five weeks.
- Increased thermal fuel availability being brought to market by participants' contracting and trading activity can support an increased thermal generation response under extended periods of low inflow.

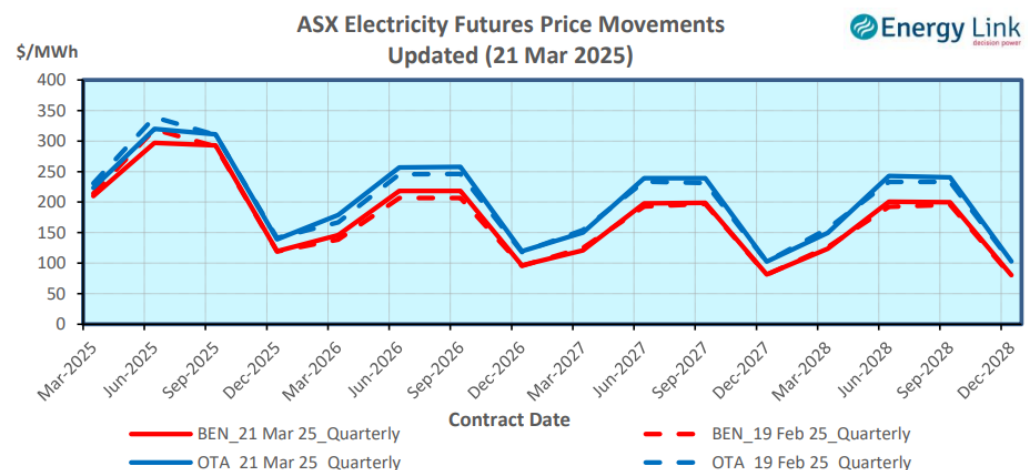
### WHOLESALE ELECTRICITY PRICES

#### Weekly Spot Price (week ended 23 March)



Source: System Operator, Market Operations - Weekly Market Movements

#### ASX Electricity Futures Prices (last available update 21 March 2025)



Source: Energy Link, Energy Trendz Weekly

<p><b>Six offshore wind developers withdraw from Western Australia</b></p> <p>Melanee Beatson Privacy of natural persons</p>	<p>Six developers have withdrawn from the Western Australia (WA)'s feasibility permit application round. WA opened a 4,000 square kilometre zone for feasibility licence applications from September 2024 to January 2025.</p> <p>Four developers remain in the process. Some reasons provided by developers for their withdrawal included a lack of certainty that WA would have appropriate grid connections and offtake demand to make projects viable. Developers in Australia have also pointed to heightened uncertainty stemming from the federal opposition stating it will scrap several offshore wind zones, including in WA, if elected later this year.</p> <p>One of the developers that recently announced its withdrawal is Jera/Parkwind, which is active in New Zealand. Confidential advice to Government</p>
<p><b>PowerSwitch and the EAs role in comparison and switching</b></p> <p>Scott Russell Privacy of natural persons</p>	<p>You requested information on PowerSwitch and the Electricity Authority's role in administering a switching and comparison service.</p> <p>The EA has a role to promote comparison and switching to support consumers to get the best deal and to enhance retail competition. The prerogative for the EA to deliver this service is through the Electricity Industry Act 2010 including an express function 'to promote to consumers the benefits of comparing and switching retailers' and the ability to fund through levies. Also relevant is the October 2024 Government Policy Statement (GPS) which states in paragraph 29(g): 'Household and business consumers can make meaningful choices between competing suppliers and technologies, and benefit from the opportunities available in the electricity system. This includes the benefits that consumers may gain from providing demand-side flexibility'.</p> <p><b>PowerSwitch</b></p> <p>PowerSwitch is an independent comparison and switching website run by Consumer NZ and largely funded by the Electricity Authority (EA). Currently, the EA provides just under \$1.4 million in annual funding to Consumer NZ for PowerSwitch. This is included in the Electricity Industry Levy provisions.</p> <p>PowerSwitch has approximately 3,500 residential pricing plans and 570 gas plans available for comparison by residential consumers and data shows that households could save up to \$500 a year by switching retailers but only about 7 per cent of households have done so in the past 12 months.</p> <p><b>Commercial Information</b></p> <p>[Redacted]</p> <p><b>Linkages with a consumer data right (CDR)</b></p> <p>As you know the government is progressing work on a potential CDR for the electricity sector. If a CDR is progressed for the electricity sector, officials expect it will enhance the ability of consumers to compare and switch their electricity retailer or plan through standardised near instantaneous provision of data.</p> <p>We have indicated in advice that the earliest data a CDR could be operational for electricity is December 2026 and will continue to work closely with the EA on our respective work programmes.</p>

<p><b>Joint statement for Lao-Thailand-Malaysia-Singapore HVDC link project</b></p> <p>Tamara Linnhoff  <small>Privacy of natural persons</small></p>	<p>You have asked for information about how Singapore approach interconnection agreements with other countries. For the Lao-Thailand-Malaysia-Singapore Power Integration Project (LTMS PIP), the project Joint Statement details the objectives and called for the creation of a working group to examine and monitor the technical viability, policy, regulatory, legal and commercial aspects of the project.</p> <p>The four countries will set up the LTMS PIP Working Group to study the technical viability of cross border power trade of up to 100 MW from Lao to Singapore through existing interconnections. The working group is also expected to examine policy, regulatory, legal and commercial issues relating to cross border electricity trading</p> <p>The electricity trading would be across an existing interconnector and does not seek to build a new interconnector. We have reached out to MFAT Singapore for further information and will provide any relevant updates to you.</p>
<p><b>Commerce Commission Fuel Monitoring Reports</b></p> <p>Dominic Kebbell  <small>Privacy of natural persons</small></p>	<p>The Commerce Commission (the Commission) monitors the performance of engine fuel markets under the Fuel Industry Act 2020 and publishes analysis based on the information disclosures provided by fuel companies.</p> <p>On Thursday 27 March, the Commission published two reports: Fuel Wholesale Margin Analysis Report, and the December 2024 Quarterly Monitoring Report. They have sent both reports to you. We have summarised some key information below.</p> <p><b>Fuel Wholesale Margin Analysis Report</b></p> <p>This report looks at competition margins derived by fuel importers since the implementation of the Fuel Industry Act 2020. This report focuses on longer term trends rather than short term fluctuations (which are reflected in quarterly reports).</p> <p>The wholesale margin in this context is the difference between the direct costs of supplying fuel and the price that a wholesaler customer is charged for it. A medium to long term reduction in the wholesale margin can indicate an increase in competition, while increases can indicate reduced competition.</p> <p><i>Key findings from the report:</i></p> <ul style="list-style-type: none"> <li>• The Commission has concluded that, since June 2022, margins have been relatively stable. The analysis does not raise any major or immediate concerns about overall competition at the wholesale level in the domestic fuel market.</li> <li>• Wholesale margins for diesel (60% of fuel volume traded) are the lowest indicating more competition, followed by Regular 91 and Regular 95.</li> <li>• Wholesale margins for Premium 98 (1% of the wholesale market) have been steadily increasing, potentially due to decreased competition as fewer retail stations are selling Premium 98.</li> <li>• Wholesale customer groups, such as distributors, who purchase relatively large volumes of fuel products face lower margins on a cents per litre basis than smaller customers, such as dealers.</li> </ul> <p><b>Quarterly Monitoring Report (quarter ending December 2024)</b></p> <p>The report includes the key tables and charts on the wholesale and retail fuel markets.</p> <p><i>Key findings:</i></p> <ul style="list-style-type: none"> <li>• Wholesale prices have remained stable, with a decrease of 4% for Regular 91, Premium 95 and diesel respectively and a 1% decrease for Regular 98.</li> <li>• Wholesale margins have decreased for Regular 91 (by 21%), Premium 95 (11%) and Diesel (28%)</li> <li>• Retail fuel prices have remained stable for all products, decreasing between 1 to 3%.</li> </ul>

## Upcoming Ministerial Items

### 1. Upcoming Energy meetings

Meeting date	Meeting	Details
<b>Monday, 31 March 2025</b> 2:00pm – 3:00pm	Frontier Economics (joint with Minister Jones) on Review of Electricity Market Performance	<b>Briefing Due:</b> (with office) <b>Officials required:</b> Paul Stocks, Justine Cannon, Sharon Corbett
<b>Tuesday, 1 April 2025</b> 11:15 am-11:45am	Contact Energy (Mike Fuge)	<b>Briefing Due:</b> 31 March <b>Officials required:</b> Justine Cannon, Daniel Brown
<b>Wednesday, 2 April 2025</b> 11:15 am-1:00 pm	Soil-turning Ceremony of Tauhei Solar Farm	<b>Briefing Due:</b> 25 March <b>Officials required:</b> NA
<b>Wednesday, 2 April 2025</b> 5.00pm-6:00 pm	Meeting with Gentailers	<b>Briefing Due:</b> 25 March <b>Officials required:</b> Paul Stocks, Justine Cannon
<b>Thursday, 3 April 2025</b> 10:00 am-10:30 am	Meridian	<b>Briefing Due:</b> 31 March <b>Officials required:</b> Justine Cannon, Tamara Linnhoff
<b>Thursday, 3 April 2025</b> 10:30 am-11:00 am	Lodestone	<b>Briefing Due:</b> 31 March <b>Officials required:</b> Justine Cannon, Tamara Linnhoff
<b>Thursday, 3 April 2025</b> 12:15 pm-1:00 pm	Major Electricity Users Group	<b>Briefing Due:</b> 31 March <b>Officials required:</b> Scott Russell, Tamara Linnhoff
<b>Thursday, 3 April 2025</b> 3:45 pm-4:15 pm	Neste Asia Pacific	<b>Briefing Due:</b> 31 March <b>Officials required:</b> Dominic Kebbell
<b>Friday, 4 April 2025</b> 3:45 pm-4:15 pm	Minister meeting with Foresta (Auckland)	<b>Briefing Due:</b> 2 April <b>Officials required:</b> Scott Russell

### 2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publically released shortly

# Information to be publically released shortly

## 3. Written Parliamentary Questions

None this week.

## 4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
31 March	SW25-2	Privacy of natural persons	Renewable energy industry
1 April	SW25-12		Updating industry on progress and expected implementation date for the update of the Standards.
10 April	SW25-96		Electric vehicle fleet - Ambulance service

## 5. Output plan



Confidential advice to Government

Confidential advice to Government