



EVENT BRIEFING

Meeting with South Island Electricity Network Chief Executives, 14 May 2025

Date:	9 May 2025	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0013603

Action sought		
	Action sought	Deadline
Hon James Meager Minister for the South Island	Meet with South Island Electricity Network Chief Executives	14 May 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Karl Woodhead	General Manager Strategy, Planning and Performance, Kānoa – Regional Economic Development & Investment Unit (Kānoa)	Privacy of natural persons	
Cory Hagenaars	South Island Lead Advisor, Kānoa	Privacy of natural persons	✓

The following departments/agencies have been consulted
N/A

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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Purpose

To provide background and supporting information for your meeting with South Island Electricity Network Chief Executives on Wednesday, 14 May 2025.

Recommendations

The Ministry of Business, Innovation and Employment (MBIE) recommend you:

- a **Note** the information in this briefing to support your meeting with South Island Electricity Network Chief Executives.

Noted

Karl Woodhead
General Manager Strategy, Planning and Performance
Kānoa – Regional Economic Development & Investment Unit, MBIE

..... / /

Hon James Meager
Minister for the South Island

..... / /

Summary

1. You are meeting with South Island Electricity Network Chief Executives on Wednesday, 14 May 2025, at 11.00am to 11.30am, online via Microsoft Teams. The link details are below.

Meeting ID: Confidentiality

Passcode: Confidentiality

2. The meeting is facilitated by Tracey Kai, Chief Executive, Electricity Networks Aotearoa, and will be chaired by Richard Fletcher, Chief Executive, Aurora Energy. Biographies of attendees are provided in the 'About the Audience' section of this briefing.
3. You will speak for approximately 10 minutes on your priorities for the South Island portfolio. Additionally, this engagement presents an opportunity to:
 - Discuss and understand further the energy challenges facing the South Island, particularly around energy costs, resilience, and storage.
 - Hear from the sector on the role electricity distribution companies can play in progressing the Government's goal of doubling renewable energy generation by 2035 and supporting the electrification of New Zealand's economy to enable growth and reduce emissions.
4. You have previously been provided relevant information on this in the Local Government New Zealand Zone Five and Six Conference 2025 briefing (briefing REQ-0012050 refers).

Background – Electricity Networks Aotearoa

5. Operating since 1997, Electricity Networks Aotearoa (ENA) is the peak body representing the 29 lines companies that operate the poles and wires delivering electricity across Aotearoa.
6. ENA provide advice on electricity distribution to enhance the industry and communities it serves, ensuring all New Zealanders have reliable, sustainable, and affordable electricity.
7. The electricity distribution industry employs over 7,800 people, delivers energy to more than 2.2 million homes and businesses, and has invested \$6.2 billion in network assets in the last five years.
8. ENA's Strategic Plan 2024¹ sets out their direction to support the electricity distribution sector to meet the challenge of net carbon-zero electricity generation by 2030, and net carbon-zero New Zealand by 2050; and three key priority areas (Climate, Customers, Collaboration) to achieving this.
9. Information on the electricity network in New Zealand is attached at **Annex One**.
10. Recent energy related ministerial announcements is attached at **Annex Two**.

Energy costs

11. Energy costs in New Zealand have increased year on year (and are expected to keep rising) due to inflation, higher electricity lines charges as a result of regulatory changes and infrastructure investment, and declining hydro-storage levels making hydro-generated electricity more expensive.

¹ [ENA-Strategy-2024.pdf](#)

12. Wholesale prices peaked at almost \$900.00 per megawatt hour (MWh) in August 2024, compared to the typical \$100.00 to \$200.00 per MWh peaks seen throughout 2023².
13. The August 2024 peak was caused by limited gas supply and record low hydro-lake levels, with storage levels sitting around 800 gigawatt hours (GWh) less than the minimum levels in 2023, and more than 1,000GWh less than the historical mean for that time of year.
14. Wholesale electricity costs are expected to increase by at least 26.5 per cent in 2026, from \$158.00 per MWh to at least \$200.00 per MWh.
15. Natural gas costs are expected to increase by at least 100 per cent in 2026, from \$14.00 per gigajoule to \$28.00 per gigajoule.
16. Electricity line charges are expected to increase a further nine per cent in 2026 to cover the costs of maintaining and upgrading the national and local power grids.

Energy storage

17. New Zealand is exploring energy storage solutions to support its renewable energy goals. The NZ Battery Project established in 2020 investigated ways to store energy for periods when hydro-lakes run low³.
18. A pumped hydro scheme at Lake Onslow was one of the options being explored however, the Government stopped investigations in late 2023. The Ministry of Business, Innovation and Employment is continuing work on security of supply during extended periods of low hydro inflows as part of its wider electricity system work programme.
19. Further, KPMG's report – The need for energy storage: Firming New Zealand's renewable energy (February 2025)⁴, highlighted the importance of energy storage in maintaining a stable electricity supply given New Zealand's reliance on renewables.
20. The analysis suggests that without thermal generation as part of the storage solution, electricity prices could rise significantly in the coming years. Key findings of the report were:
 - With a significant share of renewable energy generation, New Zealand needs the capacity to store energy efficiently for long-term electricity supply, ensuring stability during periods when energy production and demand are not aligned.
 - Without thermal generation as part of New Zealand's energy storage solution, wholesale electricity prices would likely be 60 per cent higher in the short-term (the next two to three years) and 11 per cent higher in the long-term (10 or more years).
 - The choice of fuel used for storage is critical for security, price stability, and environmental impact. There is value in New Zealand having diversity for its storage solutions, as seen by the impact of the lack of gas in winter 2024.

About the audience

21. Biographies of meeting attendees are below.

² [Electricity Authority - EMI](#)

³ [NZ Battery Project | Ministry of Business, Innovation & Employment](#)

⁴ KPMG report: [The need for energy storage - February-2025.pdf](#)

	Tracey Kai, Chief Executive, Electricity Networks Aotearoa Tracey joined Electricity Networks Aotearoa in July 2023, coming from the New Zealand Infrastructure Commission where she was the General Manager – Operations. She has previously held roles at New Zealand Rugby as General Manager – Communications, and had senior brand, marketing, and communications roles with The Co-operative Bank, Wellington City Council and Meridian Energy.
	Richard Fletcher, Chief Executive, Aurora Energy Richard has been Chief Executive of Aurora Energy since January 2018. Prior to this, he was General Manager – Regulation and Corporate Affairs at Powerco, and before that a senior manager at Transpower New Zealand. He has extensive international experience in engineering and management consulting.
	Caroline Ovenstone, Chief Executive, Alpine Energy Caroline has been Chief Executive of Alpine Energy since June 2019 and was also Chief Financial Officer from June 2019 to November 2022. She has extensive experience in executive leadership and financial management roles in New Zealand and South Africa.
	Craig Scanlon, Chief Executive, Buller Electricity Limited Craig was appointed Chief Executive of Buller Electricity Limited in early 2025. Prior to this, he was Chief Executive of Buller Holdings Limited and was a trustee of the Buller Electric Power Trust, including a three-year term as Chair.
	Onno Mulder, Chief Executive, EA Networks (Electricity Ashburton Limited) Onno has been Chief Executive of EA Networks since March 2024. Prior to this, he held roles as Chief Operating Officer of Northpower's contracting division, and Chief Executive at Citycare and Southern Institute of Technology.
	Andy Lester, Chief Executive, MainPower Andy was appointed Chief Executive of MainPower in 2017. Prior to this, he held various governance, executive leadership, and management roles at Christchurch International Airport, Wrightsons Limited, General Cable, and Caltex Oil.
	Tim Cosgrove, Chief Executive, Marlborough Lines Tim has been Chief Executive of Marlborough Lines since April 2020. Prior to this, he held leadership roles at investment company, Todd Corporation and Nova Energy. Tim was also a Lieutenant Commander in the Royal New Zealand Navy.

No photo available	Phil Goodall, General Manager, Nelson Electricity Limited Phil Goodall has been the General Manager of Nelson Electricity since 1999. Prior to this, he was the Business Manager (Energy) at Citipower Nelson.
	Oliver Kearney, Chief Executive, Network Tasman Oliver has been Chief Executive of Network Tasman since 2016. He is a qualified chartered accountant, and a Director at On Metering Limited and Nelson Electricity Limited.
	Dylan Andrews, Chief Executive, Network Waitaki Dylan has been Chief Executive of Network Waitaki since February 2024. Prior to this, he spent ten years in various executive roles at electricity company Electra, based in the Kāpiti Coast and Horowhenua regions.
	Nigel Barbour, Chief Executive, Orion Group Nigel has been Chief Executive of Orion Group since July 2021. Prior to this, he spent 19 years in various roles (including nine years as Chief Executive) at Powerco – New Zealand's second largest electricity distribution business based in New Plymouth.
	David Stevens, Acting Chief Executive and General Manager – People, Safety and Communications, PowerNet David joined PowerNet in 2024, taking on the role of Acting Chief Executive earlier this year. Prior to this, he spent 16 years in senior human resources and operational roles with Rio Tinto in New Zealand and Australia.
	Peter Armstrong, Chief Executive, Westpower/ElectroNet Group Peter has been the Chief Executive of Westpower/ElectroNet Group since April 2020. Peter is a chartered engineer and previously led the group consulting business Mitton ElectroNet for five years.

Risks and mitigations

22. No risks identified.

Annexes

Annex One: The four components of the electricity network in New Zealand.

Annex Two: Recent energy related ministerial announcements.

Annex One: The four components of the electricity network in New Zealand

Generation

23. New Zealand has four major electricity generating companies⁵. Genesis Energy, Mercury Energy, and Meridian Energy who operate under a mixed ownership model in which the government holds a majority stake, and Contact Energy, a private sector company.
24. Generation companies own and operate power stations across the country. Most of New Zealand's electricity is generated at remote locations and requires an efficient transmission system to transport it to the main centres. Approximately 80 per cent of New Zealand's electricity comes from renewable sources.
25. More than 200 generation plants can supply electricity to the national grid. Some of the smaller-scale generation is embedded and feeds directly into local distribution networks.

Transmission

26. Transpower, a state-owned enterprise, owns and operates New Zealand's national electricity transmission infrastructure system (the grid), connecting electricity generators to major consumers and distribution networks that deliver electricity to homes and businesses.
27. Transpower also coordinates the grid by:
 - scheduling the generation of all power stations
 - monitoring interconnected networks
 - ensuring that reliability, voltage, and frequency targets are met
 - manages grid emergencies.
28. The grid network consists of 174 substations, 25,000 transmission towers, and more than 11,000 kilometres of lines that run throughout the country.

Distribution

29. The 29 lines companies connect to the national grid and distribute electricity to consumers through local distribution networks.

Retail

30. Electricity retailers purchase electricity from generating companies and bill customers for the energy they consume, including a charge for the cost of use of the national transmission and local distribution.

⁵ [Electricity industry | Ministry of Business, Innovation & Employment](#)

Annex Two: Recent energy related ministerial announcements

31. On 30 April 2025, Hon Simon Watts as Minister for Energy announced the Government's agreement to amendments to the Electricity (Hazards from Trees) Regulations 2003, to better protect power lines from falling trees, safeguarding the security of New Zealand's electricity infrastructure.
Source: [Protecting New Zealand's energy infrastructure | Beehive.govt.nz](#)
32. On 27 April 2025, Hon Chris Bishop as Minister of Transport and Hon Simon Watts as Minister for Energy announced changes to the way the Government co-invests in public electric vehicle (EV) chargers with the private sector to accelerate the delivery of EV chargers across New Zealand.
Source: [Accelerating the roll-out of public EV chargers | Beehive.govt.nz](#)
33. On 16 April 2025, Hon Simon Watts as Minister for Energy, welcomed Lodestone Energy as the most recent company to enter the electricity retail market as a major retailer in New Zealand.
Source: [Minister welcomes newest electricity retailer | Beehive.govt.nz](#)
34. On 26 February 2025, Hon Simon Watts as Minister for Energy and Hon Shane Jones as Associate Minister for Energy announced restrictions on electricity lines companies investing in generation would be eased to help strengthen the energy network.
Source: [Rules to be eased to drive investment in electricity | Beehive.govt.nz](#)
35. On 14 November 2024, Hon Shane Jones as Minister for Regional Development and Hon Judith Collins as then Minister for Science, Innovation, and Technology announced up to \$60 million would be ring-fenced from the Regional Infrastructure Fund to invest in exploring the potential of supercritical geothermal technology which could help secure New Zealand's future energy needs.
Source: [Government exploring new energy source | Beehive.govt.nz](#)
36. On 6 October 2024, Hon Simeon Brown as then Minister for Energy announced the Fast-track Approvals Act would list 22 renewable electricity projects with a combined capacity of 3 Gigawatts, which will help secure a clean, reliable, and affordable supply of electricity across New Zealand.
37. Source: [Fast-track to boost renewable electricity | Beehive.govt.nz](#)