MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Energy Portfolio Weekly Report

Week commencing:	01/09/2025	**Priority:**	Medium
Security classification:	**In Confidence**	**Tracking number:**	BRIEFING-REQ-0019824

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

27 August 2025

Minister's comments:

Energy Portfolio
Officials' Meeting Agenda
12.30pm – 1.00pm Monday 1 September 2025
Online

Item	Subject	People	Oral Item / Paper #	Action Required
Confidential advice to Government				
Confidential advice to Government				
3	Energy 'gap'	Sharon Corbett, Stephen Tat	Oral	Discuss
4.	Weekly Report & Work Programme	Minister	Oral	Discuss
5.	Any other business	All	Oral	Discuss

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, Innovation and International
Daniel Brown	Manager, Electrify NZ
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Tamara Linnhoff	Manager, Electricity Markets Policy
Scott Russell	Manager, Energy Use Policy

Key actions tracker

Action and outcome	Updates	Status and upcoming milestones
	Priority One: Energy Security	
Confidential advice to Government		
Work underway to assess the energy 'gap' for the Electricity Market Review	Confidential advice to Government	On track

Action and outcome	Updates	Status and upcoming milestones
	Confidential advice to Government	
Confidential advice to Government		
Improving gas market transparency	On 18 August 2025, we briefed you and the Minister for Resources on our work to improve gas sector transparency [BRIEFING-REQ-0015969]. The Minister for Resources agreed with our recommendation to consult permit and licence holders on bringing forward the annual report deadline under the Crown Minerals Act from 31 March to 1 February each year. This change would enable us to publish the annual reserves release earlier. By 1 September 2025, we expect to have emailed petroleum permit and licence holders as well as Energy Resources Aotearoa to seek their views. The consultation will run for four weeks. Confidential advice to Government	On track
Confidential advice to Government		

Confidential advice to Government		
Energy Strategy Developing a public-facing strategy that will set out the Government's role in creating an energy system that is fit for the future	Confidential advice to Government	
Woody Bioenergy Investigating barriers to the development of the domestic supply chain and export opportunities for woody bioenergy	We are beginning targeted consultation and engaging with agencies regarding workforce development, following your review of the draft Wood Energy Strategy and Action Plan. Confidential advice to Government, international interests We are also working with EECA to ensure their wood energy activity will be ready for announcement alongside the strategy in October and that they are focussed on delivering tangible projects and infrastructure.	**On track**
Priority Two: Solar Boost		
Electricity and Gas Safety Standards (including permitted voltage range) Updating 400+ references to international standards in the *Electricity (Safety) Regulations 2010* and *the Gas (Safety and Measurement) Regulations 20*10. This includes new standards for solar and EV chargers, reducing costs	*No change:* The Cabinet paper will be provided to you on 18 September, aiming for lodgement on 2 October and LEG on 9 October. The regulations will take effect on 13 November (allows for 28 Day Rule). PCO and WorkSafe have confirmed this date is feasible. Drafting of the amendment regulations is almost completed. We are finalising the details including e-transporters. Once this is complete, PCO and WorkSafe will complete their final technical review of the amendment regulations. This will take time due to the ~440 citations of standards that need to be reviewed.	**Delayed** Draft LEG paper with you on 18 September 2025. Lodgement on 2 October for 9 October LEG.
Confidential advice to Government		

Confidential advice to Government

<table>
<tr><th colspan="3">Priority Three: EDB Efficiency</th></tr>
<tr>
<td>EDB efficiency and networking pricing/connections

Work across MBIE and regulators to improve EBD performance and efficiency</td>
<td>Standardisation and collaboration
We are updating the letter of expectation to EDBs in response to your feedback, making it more concise and adding wording on network utilisation and solar export limits. We are waiting for your confirmation on when to send the letter to EDBs. The procurement process has begun for an expert to provide independent recommendations to improve EDB standardisation and collaboration.
Confidential advice to Government
Relevant work at the Electricity Authority
The Authority has a number of workstreams underway relating to EDB connection processes and pricing.
Connection prices
In July 2025, the EA decided on four new connection pricing requirements:
EDBs must set prices with reference to a ‘least cost technical solution’ - ie letting the customer agree to a cheaper option than otherwise may be proposed
EBDs must develop a policy on ‘pioneer schemes’ – ensuring applicants who fund a network extension receive rebates from those who follow and utilise the same network.
EDBs must, on request, provide a standardised breakdown of their quoted connection charges into specific, defined components
If an EDB charges for capacity costs, it must do so using published rates which reflect the average cost of adding network capacity, rather than the entire cost of an upgrade being allocated to the customer happening to trigger the upgrade.
The EA is further considering decisions on:
Reliance limits – which restrict how much electricity distributors could recover from up-front connection charges; and
The obligation on distributors to connect all applications that meet certain criteria.
Connection processes
The EA has also made decisions on Code changes in relation to EDB connection processes:</td>
<td>On track
Briefing on network utilisation 4 September
EA Code changes come into effect over various dates from April 2026</td>
</tr>
</table>

	• An amended application process for larger distributed generation – to be better deal with speculative projects in the connection queue • A new application process for larger load projects – creating greater consistency across EDBs • Requiring EDBs to publish pipeline information for large upcoming load/generation connections • Requiring EDBs to provide more information on network capacity **Briefing on EDB network utilisation and measuring incentives for flexible solutions** • We are engaging with the Commerce Commission, Electricity Authority and Electricity Networks Aotearoa (ENA) to develop advice to you by 4 September 2025.	
Confidential advice to Government		
Priority Four: Offshore Wind		
Offshore Renewable Energy	We have provided an updated draft Cabinet paper for Ministerial consultation with proposals to amend the legislation.	**Delayed** The timing of next steps is contingent on the timeframes to amend and finalise the Bill
Market Enhancements via Energy Competition Task Force (EA and Commerce Commission)		
Energy Competition Taskforce Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	*1A Sleeving (firm generation) for PPAs: No change*: The EA has decided to roll consideration of better access to PPAs under the level playing field (LPF) workstream (1CD). *1B Standardised flexibility contracts*: *No change*: On 19 August, the EA commenced consultation on an 'Issues and Options' paper on standardised flexibility contracts. The paper confirms EA concerns that current trading volumes are shallow and must improve. They propose voluntary trading continues and outlines options for mandatory trading of minimum volumes, if liquidity doesn't improve. The threshold to move to mandatory trading will be two consecutive quarters, from January 2026, of trading falling below defined levels. If mandatory trading is required, it will be ready to be in place by mid-2026. Consultation closes 30 September. *1C+D level playing field measures*: *No change*: On 19 August, the EA announced it will introduce 'in principle' non-discrimination obligations to increase market transparency and ensure independent retailers can compete. The EA is developing draft Code amendments to implement this decision. It will need to consult on this Code change, which it aims to do in early October. A key part of the non-discrimination obligations will be measuring whether gentailers are favouring their own retail arms above independent retailers. Some media	**On track** On 19 August the EA published its intent to introduce level playing field principles, a backstop regulatory regime for super-peak market making, and announced review of all market making.

	commentary has honed-in on the need for clearer monitoring and enforcement of the obligation Free and frank opinions [redacted] The EA also confirmed it will start a review of market marking. Free and frank opinions [redacted]	On 2A+B+C, Code change decisions were published on 16 July.
	2D Better compensating industrial flexibility (demand response): No change On 28 May 2025 the EA published its 'Roadmap for industrial demand flexibility'. On 31 July the EA started consultation on an issues paper relating to an industrial flexibility emergency reserve scheme, consultation runs until 28 August.	
AOB		
Hydrogen regulations Delivering Hydrogen Action Plan commitment to amend safety regulations to enable hydrogen	*No change:* Consultation on *Enabling Hydrogen: technical changes to safety regulations* closed on Monday, 21 July 2025 and we have received 11 submissions. Submitters include the Gas Industry Co, Master Plumbers, Clarus and organisations from hydrogen and transport sectors. Standards New Zealand also made a submission. We are now analysing submissions and will provide you and the Minister for Workplace Relations and Safety with a briefing on next steps, including any recommendations for policy changes.	**On track**
New Zealand Energy Efficiency and Conservation Strategy (NZEECS) Develop a refreshed strategy that meets legislative requirements	*No change:* We have worked with EECA to develop four draft goals and high-level targets for the New Zealand Energy Efficiency and Conservation Strategy (NZEECS). Confider [redacted] Confidential advice to Government [redacted] Noting the timing for this work remains contingent on the timing for release of the Energy Strategy (above).	**On track** Briefing on draft goals and targets in September 2025
Consumer Data Right Deliver a CDR for the electricity sector	Submissions on MBIEs 'Proposal for a Consumer Data Right in the electricity sector' paper closed last week. 14 submissions were received, and two late submissions expected this week. Submissions generally supported the draft proposal, with caveats related to ensuring alignment with the Electricity Authority's work programme. A number suggested that the Authority should be designated a data holder. MBIE will engage with smaller retailers, none of whom responded to the paper, analyse submissions and brief you shortly on next steps.	**On track** Briefing on submissions in early September 2025
Information to be publically released shortly [redacted]		
IEA update on LNG pricing	The IEA's Gas Market report for Q3 2025 global LNG supply is expected to increase by 5.5% in 2025, supporting stronger demand growth in price-sensitive Asian import markets. Further increases are expected in supply in 2026. They also note the following short term outlook for LNG prices. Natural gas prices are down compared to the first quarter of 2025 but remain well above 2024 levels across all major markets. Geopolitical tensions and tight supply drove high price volatility	**n/a**

	2025		2026	
Market	**Expected % price change**	**Price**	**Expected % price change**	**USD**
Europe (TTF)	16	USD12.5/MBtu ~NZD20/GJ	6	USD13/MBtu ~NZD21/GJ
Asia (JKM)	9	USD13/MBtu ~NZD21/GJ	-5	USD12.5/MBtu ~NZD20/GJ

Commercial Information [redacted]

It is also worth noting that the LNG carrier fleet is growing faster than LNG production, leading to expected over-capacity through 2026 and beyond. Fleet growth is expected to outpace LNG production which means prolonged over-capacity is likely. This is evidenced by low spot LNG charter rates. Vessel charters are commonly part of an LNG import scheme.

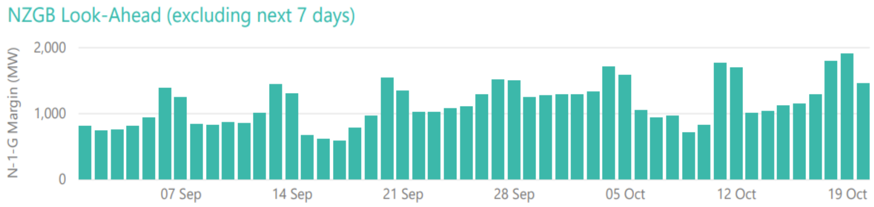
Confidential advice to Government [redacted]

Implementing Electrify NZ Daniel Brown Privacy of natural persons [redacted]	Consultation on updated RMA national directions, including renewable electricity and electricity networks direction, has closed. MBIE is working with MFE to summarise submissions and prepare recommendations for Ministers. The revised national direction is intended to be in place by the end of 2025. The Resource Management (Consenting and Other System Changes) Amendment Bill is on track to be enacted by late August 2025. This Bill implements some Electrify NZ proposals including one-year consent decisions for energy projects, and default 35-year consent durations.	**Ongoing**
Led by the Electricity Authority		
Electricity pipeline updates	The EA will provide information to you on its generation pipeline dataset monthly.	**Ongoing**

<table>
<tr><th colspan="3">Led by Transpower</th></tr>
<tr><td>Transpower's Connections Queue for Generation – improvements to increase project throughput

Run rate to start generation investigations (queue) up by 75% in 2025, on 2024.
37 investigation projects started and 12 projects moved to delivery in 2025.

Decrease of 28 projects in queue since January 2025. Wait time for new applications is now ~12 months.

13 new applications received since January2025.</td><td>Transpower have provided the following update:
<u>Improving throughput:</u>
Implemented:
Stage-gating within investigation phase.
Starting work elements earlier pre-investigation where resources are available (while they wait in queue).
Published 'Guidelines for new connections' document.
Connection status information published monthly on our webpage. Published short guide to SOSA (for RMA decision-makers) to highlight need to consent and build new renewable generation.
Work continuing to investigate/implement:
Right-sizing investigations to meet customer needs and risk appetite.
Investigation initiation to confirm a preferred connection with acceptance of connection form and commercial terms - to reduce optioneering and accelerate connection projects.
Targeted regional coordination plans, identifying project sequencing and interdependencies to improve efficiency.
Standard equipment lists for standardised designs for greenfield substations.
Customer led investigation and delivery – options defined, processes to support implementation are being used on a trial basis.
Prioritisation options within the queue (based on security of supply and resource consent status).
Data migration to new CRM system. From go-live in September, this will enable efficiencies and improvements in customer management and reporting.
Resourcing improvements:
Continuing to work with engineering consultants (ECs) on utilisation, ECs growing their resources and different work award mechanisms for larger and bundled projects.</td><td>Ongoing</td></tr>
<tr><th colspan="3">Status Reports</th></tr>
<tr><td>Electricity security of supply
Tamara Linnhoff
Privacy of natural persons</td><td>ELECTRICITY CAPACITY (for the week to Sunday 24 August 2025)
Residual generation margins remained healthy last week with residual at all peaks but one exceeding 800 MW. The lowest residual occurred on the morning of 21 August, at 791 MW.
The N-1-G margin is sufficient to meet peak demand in the look-ahead through to mid-October 2025:


Source: System Operator, Market Operations - Weekly Market Movements
ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 24 August)
National hydro storage remains below average for this time of year, dropping sharply from 83% of the historic mean to 77% over the past week following inflows that were lower than average in both islands. South Island hydro storage decreased from 78% to 74% of historic mean and North Island storage decreased from 116% to 103%.
ELECTRICITY ('ENERGY') SUPPLY RISK (at 24 August)
The level of 'energy risk' is measured by hydro storage levels relative to the electricity risk status curves.</td><td>Ongoing</td></tr>
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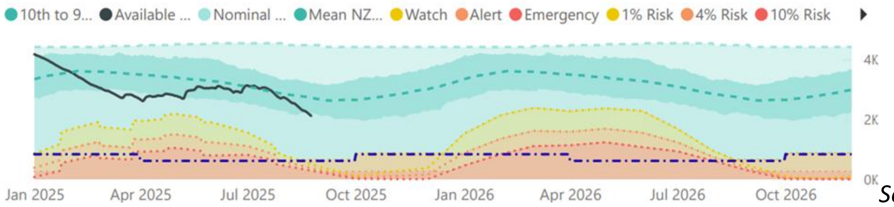
New Zealand Energy Risk

South Island Energy Risk

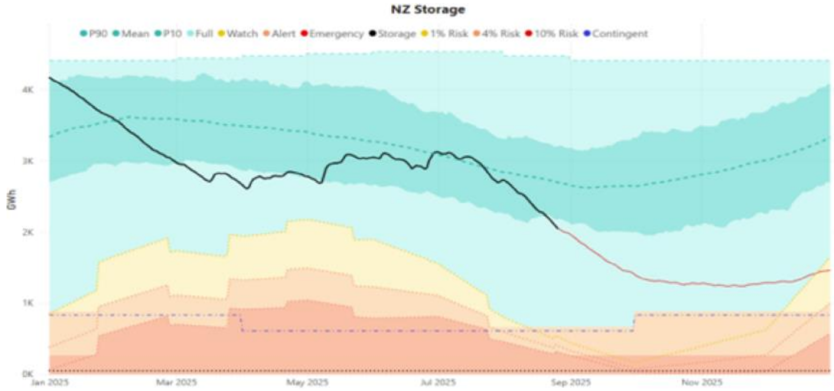
New Zealand controlled energy storage is below average for this time of year:

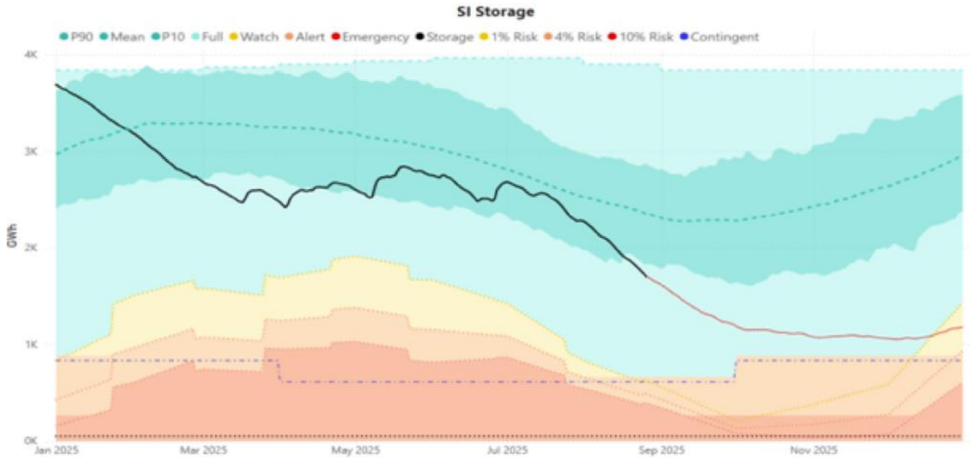
New Zealand Electricity Risk Status Curves (Available GWh)



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. Transpower have provided the following charts that show the actual storage position (**black** line) and the worst-case simulated storage trajectory (SST) (**red** line).





The above two ERCs were provided to MBIE on 27 August, calculated by Transpower using input data as of **10 July**. The worst-case SST line was calculated using inflow data starting from **25 August**.

The July update of the ERCs and SSTs includes the effects of hydro storage at the time, improved gas production forecasts relative to our previous outlook, and the announced retirement of a Huntly Rankine unit in January 2026. If the Rankine is not retired, the risk position for 2026 will improve.

Worst case inflows - Time to cross successive curves

Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	25/12/2025	121	N/A	N/A	N/A	N/A
SI	20/12/2025	116	N/A	N/A	N/A	N/A

This week the worst-case SST crosses the Watch curve for the South Island on 20 December in the South Island and nationally on 25 December. The red line does not cross the Alert curve in 2025, which would be necessary for generators to be able to access contingent storage.

MBIE has been provided with Transpower's draft ERCs, to be published Thursday 28 August.

These draft ERCs have not yet been factored in by Transpower to the above reporting. They show a small elevation in risk for the first half of 2026, relative to the July ERCs:

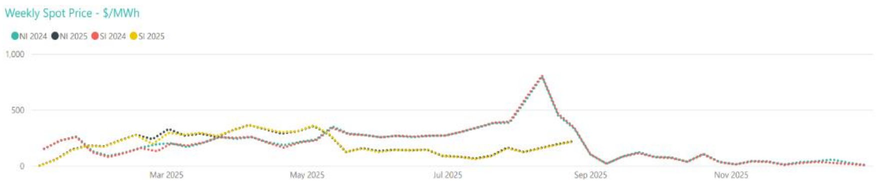
- This is due to a decrease in the gas production forecast.
- The revised ERCs show
  - little change for the remainder of 2025 when hydro storage is the main determinant: no SSTs cross the Watch curve in 2025.
  - eight of the 93 SSTs cross the Watch curve in January-July 2026. This is still assuming the third Rankine unit retires in January 2026.

Transpower comments:

- The market response earlier in 2025 to reduce hydro storage risk continues to be effective in limiting the impact of a rapid decline in hydro storage levels in recent weeks.
- Looking ahead to winter 2026, the risk to electricity supply can be decreased through hydro storage management and ensuring sufficient backup thermal fuel and capacity to support increased thermal generation under extended periods of low inflows.
- If the third Rankine unit remains available in 2026 (pending Commerce Commission approval of Huntly agreements) this will lower the NZ Watch curve by up to 680 GWh meaning no SSTs cross any ERCs.

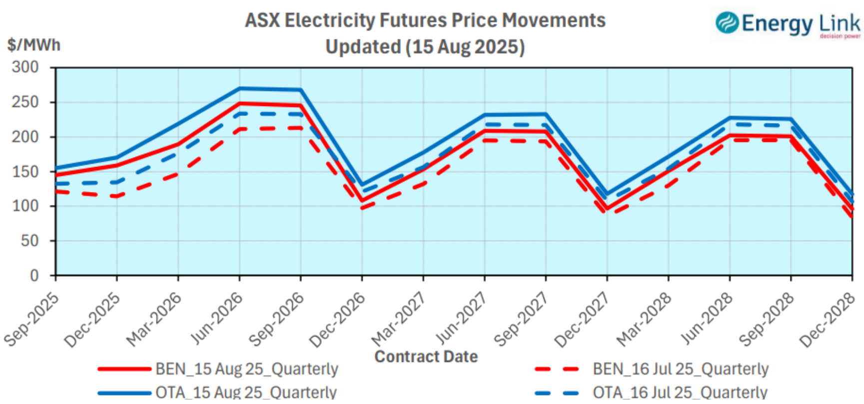
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 24 August 2025)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (at last available 15 August 2025)



Source: Energy Link, Energy Trendz Weekly

Industry developments supporting Security of Supply		
Potential commercial deals to enhance winter security of supply • Methanex gas deal • Industry actions to improve security of supply via Huntly contracts • Demand response deals	***Methanex gas deal:*** *No change*: The 8-week gas swap agreement between Contact, Genesis and Methanex has concluded. On 26 June 2025 Methanex restarted operations at its Motonui plant. ***Huntly-backed contracts for 2026 onwards:*** *No change*: Genesis, Mercury, Meridian, and Contact have signed agreements for a strategic energy reserve centred on Huntly, to be in place by winter 2026. On 6 August 2025 the Commission published a Statement of Preliminary Issues relating to this application (a standard title for this early-stage assessment). The statement outlines the key issues the Commission considers important for its decision whether the arrangement results in a benefit to the public which would outweigh any lessening of competition. The Commission has invited interested parties to provide comments on the likely benefits and detriments of the proposed arrangements, including any likely competitive effects. We have assisted the Commission by providing names of parties they may wish to engage with. The Commission may decide to set conditions on any authorisation, that would be designed to protect competition. ***Demand response deals:*** *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.	**Ongoing**
Commercial Information		
Gas industry updates on security of supply	**Contact has access to additional gas storage at the Ahuroa Gas Storage facility** Contact has announced it will gain access to an extra 1.1 petajoules (**PJ**) of gas storage at the Ahuroa Gas Storage (**AGS**) facility. According to Enerlytica, this added capacity will help Contact store newly contracted gas from OMV and Greymouth until it is most needed, such as during winter, when demand and prices are higher. We are seeking further information on what has enabled Contact to secure this extra storage and what it means for AGS's overall capacity. Back in late 2022, Contact's usable storage at AGS had been cut from 13.5 PJ to 2.1 PJ after studies found water was seeping into the reservoir, reducing its capacity. **Vector writes down value of gas business** Vector has written down the value of its gas business by $37 million due to falling gas connections and uncertainty about future gas supply. The company's latest gas asset management plan shows that the number of gas connections is expected to start dropping from 2026, driven by limited gas availability, rising costs, and uncertainty in the market.	**Ongoing**

Christchurch biogas facility work to start in October
Ecogas say it will begin constructing its new bioenergy facility in Hornby, Christchurch this October, with the project on track to start processing organic waste from early 2027. The project received resource consent from Environment Canterbury this month. Ecogas says the build should take around 15 months. Ecogas was granted 25 years consent for the facility.

The facility will use anaerobic digestion and biomass processing to turn organic waste into renewable energy and fertiliser, with environmental controls in place to manage odour, emissions, and material types

Solar numbers

The table below shows the total number of ICPs and MW capacity in New Zealand of solar systems less than 10kW for each category as at 26 August 2025. The below data is drawn from the Electricity Authority's public Electricity Market Information (EMI) website.

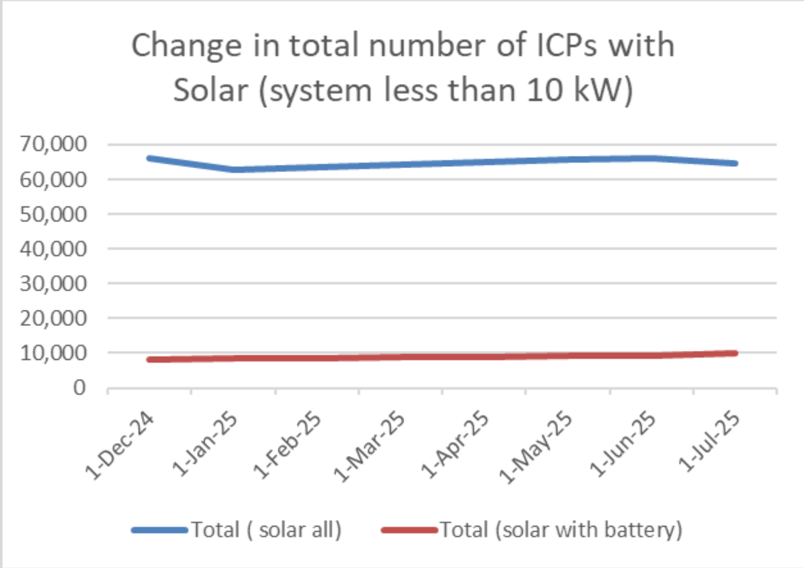
Category (solar system size: less than 10 kW)	ICP count	MW capacity
Residential solar (all)	**64,750**	**316.779**
Residential solar (with battery)	**9,815**	**57.102**
Small, Medium Enterprises solar (all)	**13,336**	**13.336**
Small, Medium Enterprises solar (with battery)	**189**	**1.245**
Commercial solar (all)	**1,484**	**8.774**
Commercial solar (with battery)	**84**	**0.550**
Total (solar all)	**68,494**	**338.889**
Total (solar with battery)	**10,088**	**58.897**

The table below shows the solar numbers and MW capacity at the start of the year (data reported on 31 December 2024) and percentage change in ICP numbers and MW capacity.

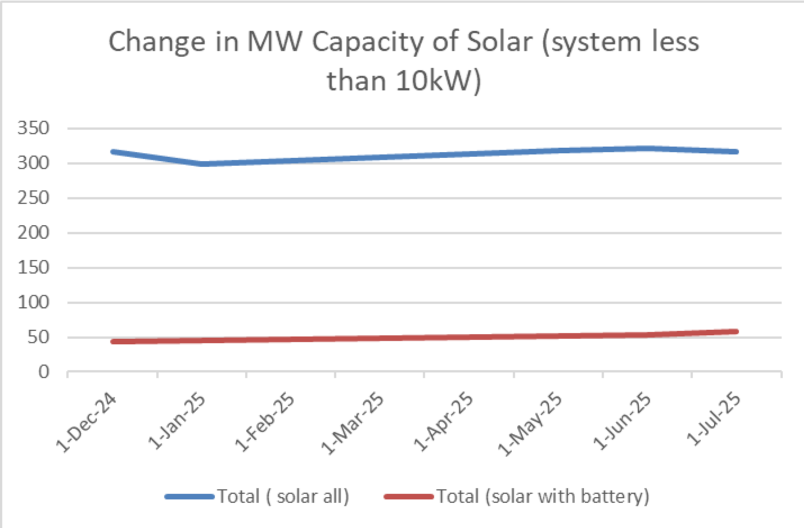
	As at 31 Dec 2024		Increase in ICP count	Increase in MW capacity
Comparison since start of the year	ICP count	MW Capacity		
Total (solar all)	66,009	317.360	**3.76%**	**6.78%**
Total (solar with battery)	8,212	44.146	**22.84%**	**33.41%**

The graphs below show the change in number of ICPs with solar and solar capacity (MW) since the start of the year.

Ongoing



Change in total number of ICPs with Solar (system less than 10 kW)
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
1-Dec-24
1-Jan-25
1-Feb-25
1-Mar-25
1-Apr-25
1-May-25
1-Jun-25
1-Jul-25
Total (solar all)
Total (solar with battery)



Change in MW Capacity of Solar (system less than 10kW)
350
300
250
200
150
100
50
0
1-Dec-24
1-Jan-25
1-Feb-25
1-Mar-25
1-Apr-25
1-May-25
1-Jun-25
1-Jul-25
Total (solar all)
Total (solar with battery)

Stakeholder Updates

Title	Comment
Gentailer earnings announcements Tamara Linnhoff Privacy of natural persons	Genesis and Meridian released annual earnings results last week. • Genesis reported EBITDAF of $454m and net profit after tax of $169m, a 12% and 29% increase respectively compared to FY24. • Meridian reported EBITDAF of $611m, down 32% on FY24 and an underlying net profit after tax of $56m, down from $359m in FY24 (it posted a reported net profit after tax of a $452m loss for FY25). Similar to Contact and Mercury last week, commentary highlighted the impact of dry conditions and increased thermal generation on earnings. Last year, Genesis could rely on its diverse generation portfolio and reliable fuel supply, while Meridian needed to contract at high prices to secure its own supply. Both Genesis and Meridian highlighted plans for significant renewable build. Genesis plans to invest $1bn by 2030, including over 400 MW in solar farms. Meridian, which delivered the 176 MW Harapaki wind farm and 100 MW Ruakaka BESS project during FY25, has invested more than $1bn in the past five years, with a further $2bn of planned investment over the next three years. These projects will add almost 2,500GWh of new annual generation. All gentailers highlighted that more substantial updates on their renewable build plans will be provided at their investor days, which are generally held in November.

Current appointments

Confidential advice to Government

Upcoming Ministerial Items

1. Upcoming Energy meetings

None this week.

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publicly released shortly

Operator status applications pending and date TBC (relies on applicants to provide further information)

Information to be publicly released shortly

3. Written Parliamentary Questions

The branch is working through numerous WPQ's due this week

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
4 September 2025	SW25-270	Privacy of natural persons	Electricity Market Competition
4 September 2025	SW25-271	Privacy of natural persons	Energy Price Increases
4 September 2025	SW25-272	Privacy of natural persons	Power Prices
4 September 2025	SW25-273	Privacy of natural persons	Estimated Energy Accounts
4 September 2025	SW25-274	Privacy of natural persons	Coal, Oil and Gas Exploration
4 September 2025	SW25-275	Privacy of natural persons	Power Prices
4 September 2025	SW25-276	Privacy of natural persons	NZ Steels Conversion to Electricity
4 September 2025	SW25-277	Privacy of natural persons	Electricity Pricing and Lines company charges
4 September 2025	SW25-278	Privacy of natural persons	Economic Progress
4 September 2025	SW25-281	Privacy of natural pers	Standards of Solar BESS and Voltage increase advice.
11 September 2025	SW25-279	Privacy of natural persons	Increases to piped gas prices
11 September 2025	SW25-283	Privacy of natural persons	Request to the PM on Programmed power cuts in Masterton
11 September 2025	SW25-282	Privacy of natural persons	Increase in Power Bills

5. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Energy Portfolio Weekly Report

Week commencing:	08/09/2025	**Priority:**	Medium
Security classification:	**In Confidence**	**Tracking number:**	BRIEFING-REQ-0020271

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

5 September 2025

Minister's comments:

Energy Portfolio
Officials' Meeting Agenda
11:10 am – 11:55 am Tuesday 9 September 2025

Item	Subject	People	Oral Item / Paper #	Action Required
Confidential advice to Government				
3	Update on LNG options	Rebecca Heerdegen John Scott	Oral	Discussion
Confidential advice to Government				
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
Rebecca Heerdegen	Policy Director, Energy Markets
Peter Bartlett	Director, Innovation and International
Scott Russell	Manager, Energy Use Policy

Key actions tracker

Action and outcome	Updates	Status and upcoming milestones
	Priority One: Energy Security	
Confidential advice to Government [redacted]		
Work underway to bolster the Electricity Authority	You have asked for advice on levers to strengthen the EA's enforcement powers. Confidential advice to Government [redacted] so that it is a stronger, more effective regulator with strong enforcement tools that effectively deter market rule breaches and enable faster rule-making, comprehensive market monitoring, and a rigorous compliance function. It will be better equipped to ensure the electricity market is reliable and competitive, and crack down on breaches. We are developing this advice, in collaboration with the EA and, in relation to the penalties regime, with the Ministry of Justice.	**On track** Advice to Minister late October then Cabinet in November.
Confidential advice to Government [redacted]		
Improving gas market transparency	On 18 August 2025, we briefed you and the Minister for Resources on our work to improve gas sector transparency [BRIEFING-REQ-0015969]. The Minister for Resources agreed with our recommendation to consult permit and licence holders on bringing forward the annual report deadline under the Crown Minerals Act from 31 March to 1 February each year. This change would enable us to publish the annual reserves release earlier. Consultation is now underway. Confidential advice to Government [redacted]	**On track**

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
Confidential advice to Government		
Energy Strategy Developing a public-facing strategy that will set out the Government's role in creating an energy system that is fit for the future	Confidential advice to Government	
Wood Energy Strategy Investigating barriers to the development of the domestic supply chain and export opportunities for wood bioenergy	*No Change:* We are beginning targeted consultation and engaging with agencies regarding workforce development, following your review of the draft Wood Energy Strategy and Action Plan. Confidential advice to Government, international interests We are also working with EECA to ensure their wood energy activity will be ready for announcement alongside the strategy in October and that they are focussed on delivering tangible projects and infrastructure.	On track
Priority Two: Confidential advice to Government		
Confidential advice to Government		
Confidential advice to Government		

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
Electricity and Gas Safety Standards (including permitted voltage range) Updating 400+ references to international standards in the *Electricity (Safety) Regulations 2010* and *the Gas (Safety and Measurement) Regulations 2010*. This includes new standards for solar and EV chargers, reducing costs	*No change:* The Cabinet paper will be provided to you on 18 September, aiming for lodgement on 2 October and LEG on 9 October. The regulations will take effect on 13 November (allows for 28 Day Rule). PCO and WorkSafe have confirmed this date is feasible.	**Delayed** Draft LEG paper with you on 18 September 2025. Lodgement on 2 October for 9 October LEG.
Confidential advice to Government		
Priority Three: EDB Efficiency		
EDB efficiency and networking pricing/connections Work across MBIE and regulators to improve EBD performance and efficiency	**Standardisation and collaboration** We are updating the letter of expectation to EDBs in response to your feedback, making it more concise and adding wording on network utilisation and solar export limits. We are waiting for your confirmation on when to send the letter to EDBs. The procurement process has begun for an expert to provide independent recommendations to improve EDB standardisation and collaboration. Confidential advice to Government	**On track** EA Code changes come into effect over various dates from April 2026 EDB efficiency deep dive with you on 15 September

Action and outcome	Updates	Status and upcoming milestones
	Relevant work at the Electricity Authority The Authority has a number of workstreams underway relating to EDB connection processes and pricing. **Connection prices** In July 2025, the EA decided on four new connection pricing requirements: • EDBs must set prices with reference to a 'least cost technical solution' - ie letting the customer agree to a cheaper option than otherwise may be proposed • EBDs must develop a policy on 'pioneer schemes' – ensuring applicants who fund a network extension receive rebates from those who follow and utilise the same network. • EDBs must, on request, provide a standardised breakdown of their quoted connection charges into specific, defined components • If an EDB charges for capacity costs, it must do so using published rates which reflect the average cost of adding network capacity, rather than the entire cost of an upgrade being allocated to the customer happening to trigger the upgrade. The EA is further considering decisions on: • Reliance limits – which restrict how much electricity distributors could recover from up-front connection charges; and • The obligation on distributors to connect all applications that meet certain criteria. **Connection processes** • The EA has also made decisions on Code changes in relation to EDB connection processes: • An amended application process for larger distributed generation – to be better deal with speculative projects in the connection queue • A new application process for larger load projects – creating greater consistency across EDBs • Requiring EDBs to publish pipeline information for large upcoming load/generation connections • Requiring EDBs to provide more information on network capacity **Briefing on EDB network utilisation and measuring incentives for flexible solutions** • We are engaging with the Commerce Commission, Electricity Authority and Electricity Networks Aotearoa (ENA) to deliver advice to you on 9 September 2025.	

Confidential advice to Government

Action and outcome	Updates	Status and upcoming milestones
Priority Four: Offshore Wind		
Offshore Renewable Energy	A Cabinet paper with proposals to amend the legislation was lodged on 4 September 2025 for consideration at ECO Committee on 10 September. Confidential advice to Government [redacted]	**Delayed** The timing of next steps is contingent on the timeframes to amend and finalise the Bill
Market Enhancements via Energy Competition Task Force (EA and Commerce Commission)		
Energy Competition Taskforce Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	*1A Sleeving (firm generation) for PPAs: No change*: The EA has decided to roll consideration of better access to PPAs under the level playing field (LPF) workstream (1CD).	**On track** On 19 August the EA published its intent to introduce level playing field principles, a backstop regulatory regime for super-peak market making, and announced review of all market making. On 2A+B+C, Code change decisions were published on 16 July.
	1B Standardised flexibility contracts: *No change*: On 19 August, the EA commenced consultation on an 'Issues and Options' paper on standardised flexibility contracts. The paper confirms EA concerns that current trading volumes are shallow and must improve. They propose voluntary trading continues and outlines options for mandatory trading of minimum volumes, if liquidity doesn't improve. The threshold to move to mandatory trading will be two consecutive quarters, from January 2026, of trading falling below defined levels. If mandatory trading is required, it will be ready to be in place by mid-2026. Consultation closes 30 September.	
	1C+D level playing field measures: *No change*: On 19 August, the EA announced it will introduce 'in principle' non-discrimination obligations to increase market transparency and ensure independent retailers can compete. The EA is developing draft Code amendments to implement this decision. It will need to consult on this Code change, which it aims to do in early October. A key part of the non-discrimination obligations will be measuring whether gentailers are favouring their own retail arms above independent retailers. Some media commentary has honed-in on the need for clearer monitoring and enforcement of the obligation Free and frank opinions [redacted] The EA also confirmed it will start a review of market marking. Free and frank opinions [redacted]	
	2D Better compensating industrial flexibility (demand response): No change: On 28 May 2025 the EA published its 'Roadmap for industrial demand flexibility'. On 31 July the EA started consultation on an issues paper relating to an industrial flexibility emergency reserve scheme, consultation runs until 28 August.	
Other Workstreams		
Hydrogen regulations Delivering Hydrogen Action Plan commitment to amend safety regulations to enable hydrogen	No change: Consultation on *Enabling Hydrogen: technical changes to safety regulations* closed on Monday, 21 July 2025 and we have received 11 submissions. Submitters include the Gas Industry Co, Master Plumbers, Clarus and organisations from hydrogen and transport sectors. Standards New Zealand also made a submission. We are now analysing submissions and will provide you and the Minister for Workplace Relations and Safety with a briefing on next steps, including any recommendations for policy changes.	**On track**

<table>
<tr><th>Action and outcome</th><th>Updates</th><th>Status and upcoming milestones</th></tr>
<tr><td>New Zealand Energy Efficiency and Conservation Strategy (NZEECS)
Develop a refreshed strategy that meets legislative requirements</td><td>No change: We have worked with EECA to develop four draft goals and high-level targets for the New Zealand Energy Efficiency and Conservation Strategy (NZEECS). [redacted] Confidential advice to Government [redacted] Confidential advice to Government [redacted]</td><td>On track
Briefing on draft goals and targets in September 2025</td></tr>
<tr><td>Consumer Data Right
Deliver a CDR for the electricity sector</td><td>Submissions on MBIEs ‘Proposal for a Consumer Data Right in the electricity sector’ paper closed last week. 14 submissions were received, and two late submissions expected this week.
Submissions generally supported the draft proposal, with caveats related to ensuring alignment with the Electricity Authority’s work programme. A number suggested that the Authority should be designated a data holder.
MBIE will engage with smaller retailers, none of whom responded to the paper, analyse submissions and brief you shortly on next steps.</td><td>On track
Briefing on submissions in early September 2025</td></tr>
<tr><td colspan="2">Confidential advice to Government [redacted]</td><td>n/a</td></tr>
<tr><td>IEA update on LNG pricing</td><td>The IEA’s Gas Market report for Q3 2025 forecasts global LNG supply will increase by 5.5% in 2025, supporting stronger demand growth in price-sensitive Asian import markets. Further increases are expected in supply in 2026. They also note the following short-term outlook for LNG prices.
Natural gas prices are down compared to the first quarter of 2025 but remain well above 2024 levels across all major markets. Geopolitical tensions and tight supply drove high price volatility
<table>
<tr><th></th><th colspan="2">2025</th><th colspan="2">2026</th></tr>
<tr><th>Market</th><th>Expected % price change</th><th>Price</th><th>Expected % price change</th><th>USD</th></tr>
<tr><td>Europe (TTF)</td><td>16</td><td>USD12.5/MBtu ~NZD20/GJ</td><td>6</td><td>USD13/MBtu ~NZD21/GJ</td></tr>
<tr><td>Asia (JKM)</td><td>9</td><td>USD13/MBtu ~NZD21/GJ</td><td>-5</td><td>USD12.5/MBtu ~NZD20/GJ</td></tr>
</table>
Commercial Information [redacted]
It is also worth noting that the LNG carrier fleet is growing faster than LNG production, leading to expected over-capacity through 2026 and beyond. This is evidenced by low spot LNG charter rates. Vessel charters are commonly part of an LNG import scheme.</td><td>n/a</td></tr>
</table>

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
	Confidential information entrusted to the Government	
Implementing Electrify NZ Daniel Brown Privacy of natural persons	Consultation on updated RMA national directions, including renewable electricity and electricity networks direction, has closed. MBIE is working with MFE to summarise submissions and prepare recommendations for Ministers. The revised national direction is intended to be in place by the end of 2025. The Resource Management (Consenting and Other System Changes) Amendment Bill has now entered into law. This Bill implemented some Electrify NZ proposals including one-year consent decisions for energy projects, and default 35-year consent durations. You are meeting the Minister for RMA Reform on 15 September to discuss how the resource management reform programme can support priorities in your portfolio.	**Ongoing**
Government Statement on Biogas Dominic Kebbell Privacy of natural persons	You agreed to officials developing a policy statement to signal government's support for a biogas market [BRIEFING-REQ-0016063]. We are aiming to provide you with a briefing on this in the week beginning 15 September for your agreement and next steps.	**n/a**
Led by the Electricity Authority		
Electricity pipeline updates	The EA will provide information to you on its generation pipeline dataset monthly.	**Ongoing**

<table>
<tr><th colspan="3">Led by Transpower</th></tr>
<tr>
<td>Transpower's Connections Queue for Generation – improvements to increase project throughput

Run rate to start generation investigations (queue) up by 80% in 2025, on 2024. 39 investigation projects started and 12 projects moved to delivery in 2025. 8 grid connections completed.

Decrease of 29 projects in queue since January 2025. Wait time for new applications is now ~12 months.

14 new applications received since January 2025.</td>
<td>Transpower have provided the following update:

<u>Improving throughput:</u>

Implemented:

Stage-gating within investigation phase.
Starting work elements earlier pre-investigation where resources are available (while they wait in queue).
Published 'Guidelines for new connections' document.
Connection status information published monthly on our webpage. Published short guide to SOSA (for RMA decision-makers) to highlight need to consent and build new renewable generation.
New CRM system build completed.

Work continuing to investigate/implement:

Right-sizing investigations to meet customer needs and risk appetite.
Investigation initiation to confirm a preferred connection with acceptance of connection form and commercial terms - to reduce optioneering and accelerate connection projects.
Targeted regional coordination plans, identifying project sequencing and interdependencies to improve efficiency.
Standard equipment lists for standardised designs for greenfield substations.
Customer led investigation and delivery – options defined, processes to support implementation are being used on a trial basis.
Prioritisation options within the queue (based on security of supply and resource consent status).
CRM go-live in September to enable efficiencies and improvements in customer management and reporting.

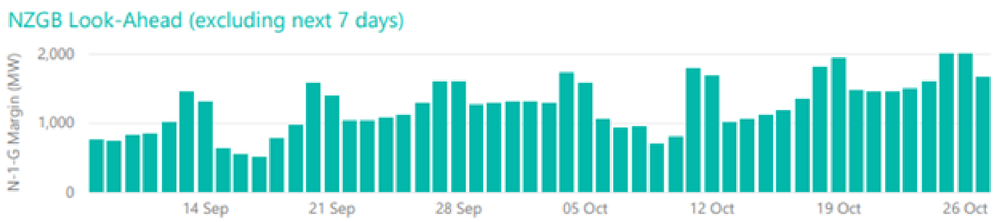
Resourcing improvements:

Continuing to work with engineering consultants (ECs) on utilisation, ECs growing their resources and different work award mechanisms for larger and bundled projects.
</td>
<td>Ongoing</td>
</tr>
<tr><th colspan="3">Status Reports</th></tr>
<tr>
<td>Electricity security of supply

Tamara Linnhoff
Privacy of natural persons [redacted]</td>
<td>ELECTRICITY CAPACITY (for the week to Sunday 31 August 2025)

Capacity margins were extremely healthy last week with residual at all peaks exceeding 1,100 MW. The lowest residual occurred on the morning of 25 August, at 1,105 MW. This was due to high thermal commitment and increased wind.

The N-1-G margins in the NZ Generation Balance forecast are healthy through October:



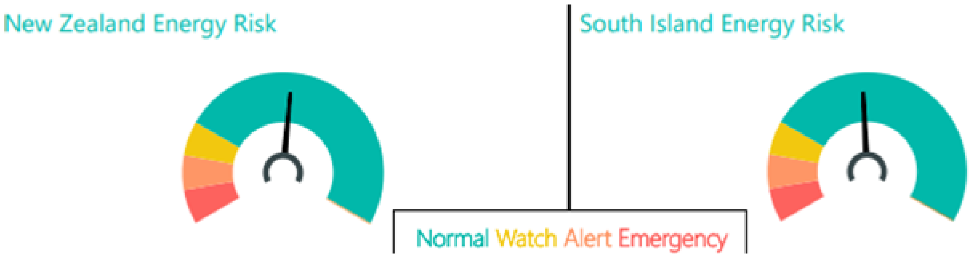
Source: System Operator, Market Operations - Weekly Market Movements

ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 31 August)

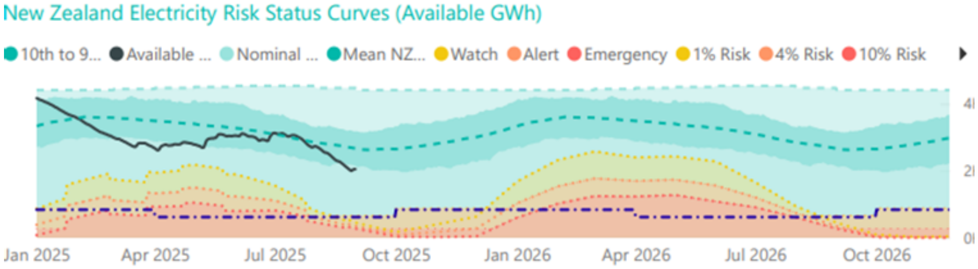
New Zealand hydro storage remains below the 10th percentile for this time of year. Storage remained at 77% of average due to the recent storm cycle bringing some inflows. South Island hydro storage dropped slightly from 74% to 73% of historic mean and North Island storage increased slightly from 103% to 104%.

ELECTRICITY ('ENERGY') SUPPLY RISK (at 31 August)</td>
<td>Ongoing</td>
</tr>
</table>

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



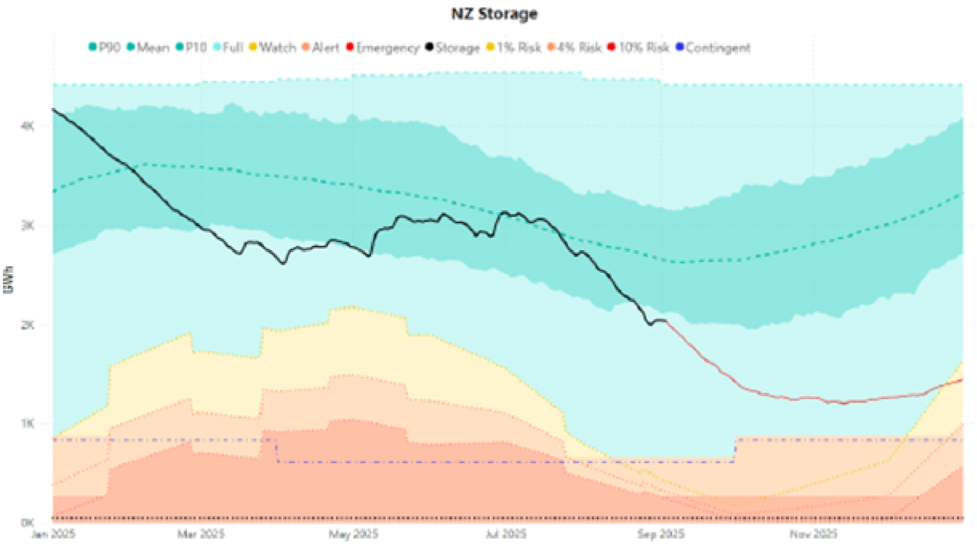
New Zealand controlled energy storage is below average for this time of year:

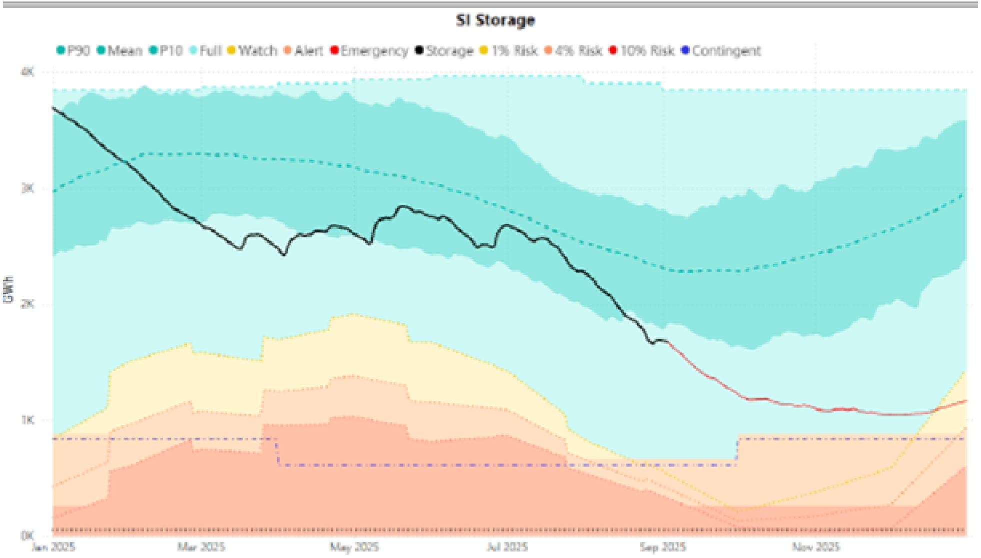


The ERCs have lifted for the first half of 2026 relative to the July update

- This is due to a decrease in the gas production forecast.
- No SSTs cross the Watch curve in 2025. Eight of the 93 SSTs cross the Watch curve in January-July 2026. This assumes the third Rankine unit retires in January 2026 and the market supplements the existing coal stockpile at its maximum import capability to maintain increased thermal generation during low hydro inflows.
- The market response earlier in 2025 to reduce hydro storage risk continues to be effective in limiting the impact of a rapid decline in hydro storage levels in recent weeks. Looking ahead to winter 2026, the risk to electricity supply can be decreased through hydro storage management and ensuring sufficient backup thermal fuel and capacity to support increased thermal generation under extended periods of low inflows.
- This month's scenario looks at the impact on the ERCs if the third Rankine unit were to remain available in 2026, which is currently awaiting Commerce Commission approval. This lowers the NZ Watch curve by up to 680 GWh and results in no SSTs crossing any ERCs.

	You have asked us to report on the number of days until the NZ system hits energy risk curves – if it does not rain. Transpower have provided the following charts, that show the actual storage position (**black** line) and the worst-case simulated storage trajectory (SST) (**red** line).	





The above two ERCs were provided to MBIE on 3 September, calculated by Transpower using input data as of **12 August** (though published on **29 August**). The worst-case SST line was calculated using historic inflow data starting from **1 September**.

The August update of the ERCs and SSTs (published 29 August) includes the effects of hydro storage at the time, slightly decreased gas production forecasts relative to our previous outlook, and the announced retirement of a Huntly Rankine unit in January 2026. If the Rankine is not retired, the risk position for 2026 will improve and no simulated storage trajectories will cross the Watch curve.

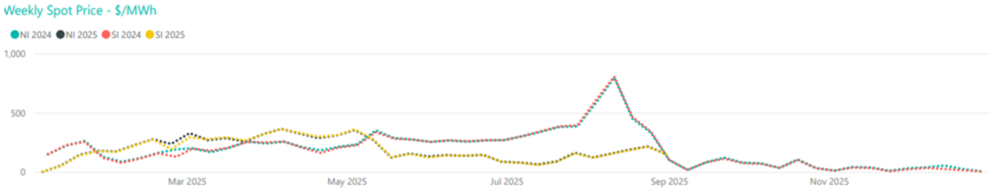
Worst case inflows - Time to cross successive curves

Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	24/12/2025	112	N/A	N/A	N/A	N/A
SI	19/12/2025	107	N/A	N/A	N/A	N/A

This week the worst-case SST crosses the Watch curve for the South Island on 19 December in the South Island and nationally on 24 December**. The red line does not cross the Alert curve in 2025**, which would be necessary for generators to be able to access contingent storage.

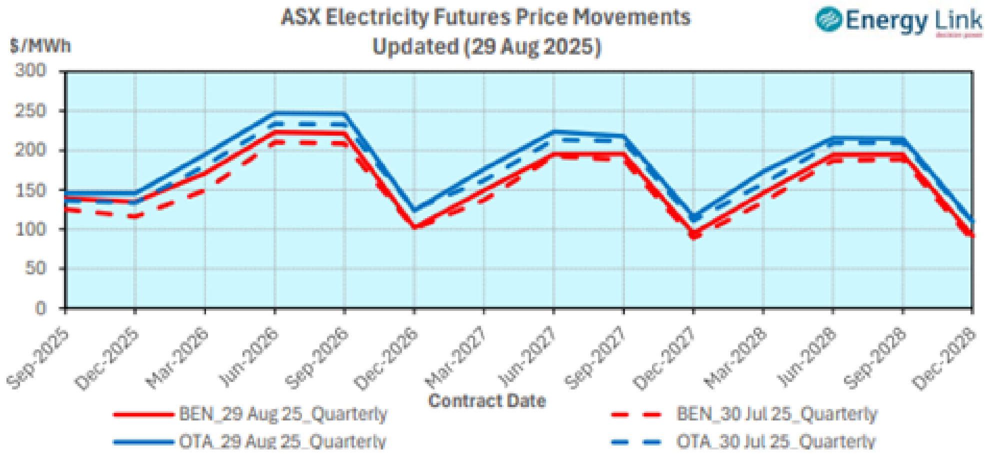
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 31 August 2025)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (at last available 29 August 2025)



Source: Energy Link, Energy Trendz Weekly

Electricity Authority Spring Outlook forecasts higher spot prices during spring

Tamara Linnhoff

Privacy of natural persons [redacted]

On 2 September the EA published its Spring Outlook: Understanding the change in wholesale price risk explaining that national hydro levels are still low, **so the EA has changed its risk assessment of wholesale electricity prices in its weekly snapshot from green (low risk) to amber (medium risk).**

The EA also highlights that security of supply risk – having enough energy to meet demand – remains at green (low risk).

On prices, the EA highlight that:

- **There were very low inflows** into the hydro lakes throughout August. To conserve water, more coal and gas generation was used, pushing up wholesale spot prices.
- Looking ahead towards 2026, there is below average snow cover in the catchments that supply our largest hydro storage lakes and La Nina conditions tend to lead to low rainfall in the South Island:
  - Recent rainfall is expected to continue into early September with NIWA predicting above average rainfall for the west of the South Island until roughly mid-September. However, the three-month outlook is for drier than normal conditions for this area.
  - Without significant rain and snowmelt to increase hydro storage, more thermal generation will be needed in coming months, which will mean higher wholesale electricity prices.
- **Forward prices have increased to reflect the above conditions and expectations**: forward prices for the March and June 2026 quarters increased by $19/MWh (Benmore) and $11/MWh (Otahuhu) respectively over July and August.
  The 2026 winter quarters are significantly above winters in the next two years, suggesting elevated risk for winter 2026.

n/a

Monthly Oil and Gas production data Amapola Generosa Privacy of natural persons	We will be publishing the July 2025 update of our monthly oil and gas production data on Thursday 11 September. This shows that net production of natural gas in July 2025 was 8.69 PJ, up 7% on June 2025 levels (8.16 PJ) due to higher deliveries from most major fields. Despite this, net production in July 2025 was still down 17% on July 2024 levels (10.45 PJ). We publish this data regularly, on the second Thursday of each month. This data gives a comprehensive view of gas production in New Zealand (other public data, such as Gas Industry Company production figures, are based solely on public pipeline data and are less comprehensive). Data for a given month is available 6 weeks after month-end.	**n/a**
Energy Quarterly publication Amapola Generosa Privacy of natural persons	MBIE will release the latest New Zealand Energy Quarterly (NZEQ) on Thursday 11 September 2025. The NZEQ provides quarterly data and analysis on energy supply, demand, prices, and associated greenhouse gas emissions. This release covers data from 01 April to 30 June 2025. Unless stated otherwise, all changes are in comparison to the June 2024 quarter. **Energy supply** • Hydro generation was down 6.8% the June 2024 quarter, with lower hydro storage in April contributing to this. • Additions to geothermal generation capacity over the past year saw geothermal generation hit 2,471 GWh in the June 2025 quarter, up 12.6% from the June 2024 quarter. Wind generation was also up 17.6%, while capacity additions also contributed to a 48.7% increase in generation from solar. • The combination of increased generation from renewable sources and lower electricity demand saw generation from gas and coal generation down 0.9% and 38.3% respectively. The share of electricity generation from renewable sources also increased 2.7 percentage points to 84.1%. • To support the electricity generation market, coal imports increased 468 kilo tonnes as shipments of coal arrived in the country to increase the stockpile for electricity generation. **Energy demand** • National electricity consumption fell 4% from the June 2024 quarter. Contributing to this was lower electricity use by New Zealand Aluminium Smelters due to its demand response agreement being in effect. • Residential electricity consumption was also down 4% on the previous June quarter, which had seen increased electricity use due to a cold snap in May 2024. • Total gas use in the economy was down 19.8%, with the quarter seeing Methanex pausing operations at its Motonui facility for 8 weeks to free up gas for electricity generation. **Energy Prices** • Petrol and diesel prices fell due to decisions by OPEC+ to increase their output, along with the removal of the Auckland Regional Fuel Tax on 30 June 2024. Petrol prices decreased 10.3% to 255 cents per litre, and diesel retail prices decreased 14.4% to 181 cents per litre. **Next Steps** Energy Quarterly will be released on 11 September 2025 with a coinciding media release. Associated communications material will be provided to your office 24 hours prior to release.	**n/a**

Industry developments supporting Security of Supply		
Potential commercial deals to enhance winter security of supply • Methanex gas deal • Industry actions to improve security of supply via Huntly contracts • Demand response deals	***Methanex gas deal:*** No change: The 8-week gas swap agreement between Contact, Genesis and Methanex has concluded. On 26 June 2025 Methanex restarted operations at its Motonui plant. ***Huntly-backed contracts for 2026 onwards:*** No change: Genesis, Mercury, Meridian, and Contact have signed agreements for a strategic energy reserve centred on Huntly, to be in place by winter 2026. On 6 August 2025 the Commission published a Statement of Preliminary Issues relating to this application (a standard title for this early-stage assessment). The statement outlines the key issues the Commission considers important for its decision whether the arrangement results in a benefit to the public which would outweigh any lessening of competition. The Commission has invited interested parties to provide comments on the likely benefits and detriments of the proposed arrangements, including any likely competitive effects. We have assisted the Commission by providing names of parties they may wish to engage with. The Commission may decide to set conditions on any authorisation, that would be designed to protect competition. ***Demand response deals:*** 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.	**Ongoing**
Commercial Information [redacted]		
Gas industry updates on security of supply	**Contact has access to additional gas storage at the Ahuroa Gas Storage facility** Contact has announced it will gain access to an extra 1.1 petajoules (**PJ**) of gas storage at the Ahuroa Gas Storage (**AGS**) facility. According to Enerlytica, this added capacity will help Contact store newly contracted gas from OMV and Greymouth until it is most needed, such as during winter, when demand and prices are higher. Commercial Information [redacted]	**Ongoing**
Solar numbers	There was no change in numbers since last week's reporting (below). The table below shows the total number of ICPs and MW capacity in New Zealand of solar systems less than 10kW for each category as at 26 August 2025. The below data is drawn from the Electricity Authority's public Electricity Market Information (EMI) website. <table><tr><th>Category (solar system size: less than 10 kW)</th><th>ICP count</th><th>MW capacity</th></tr><tr><td>Residential solar (all)</td><td>**64,750**</td><td>**316.779**</td></tr><tr><td>Residential solar (with battery)</td><td>**9,815**</td><td>**57.102**</td></tr></table>	**Ongoing**

Small, Medium Enterprises solar (all)	**13,336**	**13.336**
Small, Medium Enterprises solar (with battery)	**189**	**1.245**
Commercial solar (all)	**1,484**	**8.774**
Commercial solar (with battery)	**84**	**0.550**
Total (solar all)	**68,494**	**338.889**
Total (solar with battery)	**10,088**	**58.897**

The table below shows the solar numbers and MW capacity at the start of the year (data reported on 31 December 2024) and percentage change in ICP numbers and MW capacity.

	As at 31 Dec 2024		**Increase in ICP count**	**Increase in MW capacity**
Comparison since start of the year	**ICP count**	**MW Capacity**		
Total (solar all)	**66,009**	**317.360**	**3.76%**	**6.78%**
Total (solar with battery)	**8,212**	**44.146**	**22.84%**	**33.41%**

Stakeholder Updates

Title	**Comment**
Meridian and Nova confirm JV and financing for Te Rahui Solar Farm Tamara Linnhoff Privacy of natural persons [redacted]	Meridian and Nova Energy have announced completion of their joint venture agreement and financing to build and operate the 400MW Te Rahui Solar Farm at Rangitāiki near Taupō. The joint venture has also secured $300 million in project financing for the first 200MW phase of the project. Project offtake will be shared 50:50 by way of a power purchase agreement with Meridian for 100% of the offtake and a contract for difference with Nova for 50%. The parties have awarded construction and initial operations and maintenance contracts to Beon Energy, who specialise in delivering renewable energy projects and have an extensive track record in Australia and New Zealand. This milestone progresses the $660 million solar farm. When completed, both phases will produce enough electricity to power around 100,000 homes.
Ballance and Genesis agree short term gas supply Scott Russell Privacy of natural persons [redacted]	On 3 September 2025 Ballance Agri-nutrients announced that it had secured an additional three months of gas supply from Genesis Energy. Commercial Information [redacted] Commercial Information [redacted]

Current appointments

Confidential advice to Government [redacted]

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Wednesday 10 September 2025 10:45 am – 11:30 am	Energy Resources Aotearoa	**Briefing Due:** 8 September 2025 **Officials required:** Justine Cannon
Thursday 11 September 2025 12:00 pm – 12:30 pm	Electricity Authority	**Briefing Due:** N/A **Officials required:** Justine Cannon
Thursday 11 September 2025 12:30 pm – 12:50 pm	Transpower	**Briefing Due:** N/A **Officials required:** Justine Cannon
Thursday 11 September 2025 12:50 pm – 1:10 pm	Commerce Commission	**Briefing Due:** N/A **Officials required:** Justine Cannon
Thursday 11 September 2025 1:15 pm – 1:45 pm	Data Centre Report launch	**Speech Due:** 1 September 2025 **Officials required:** N/A
Thursday 11 September 2025 3:15 pm – 4:00 pm	Gentailer meeting re Winter 26	**Briefing Due:**3 September 2025 **Officials required:** Paul Stocks, Justine Cannon
Friday 12 September 2025 8:00 am – 9:00 am	Mercury Board meeting	**Briefing Due:**9 September 2025 **Officials required:** Kathryn Rush

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publicly released shortly

Information to be publicly released shortly

3. Written Parliamentary Questions

Due to Minister	Number	Member	Question
9 September 2025	43390	Francisco Hernandez	What was the remuneration, if any, broken down by board and title, for crown appointees in the Minister's departments, crown entities and any other bodies that the Minister is responsible for, if any, in the 2024-25 financial year?
9 September 2025	43391	Francisco Hernandez	What consultations are the Minister’s departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 1st September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and what is the proposed net change in roles?
9 September 2025	43392	Francisco Hernandez	What consultations are the Minister’s departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 1st September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and when is any such consultation expected to close?

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
11 September 2025	SW25-279	Privacy of natural persons	Increases to piped gas prices
11 September 2025	SW25-282	Privacy of natural persons	Increase in Power Bills
11 September 2025	SW25-283	Privacy of natural persons	Request to the PM on Programmed power cuts in Masterton
16 September 2025	SW25-284	Privacy of natural persons	LPG and energy prices
16 September 2025	SW25-285	Privacy of natural persons	Energy charges
16 September 2025	SW25-286	Privacy of natural persons	Forcing Lines Company to accept more solar input in Cromwell

5. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Energy Portfolio Weekly Report

Week commencing:	15/09/2025	**Priority:**	Medium
Security classification:	**In Confidence**	**Tracking number:**	BRIEFING-REQ-0020629

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

12 September 2025

Minister's comments:

Energy Portfolio
Officials’ Meeting Agenda
11:30 am – 12:30 pm Tuesday 16 September 2025

Item	Subject	People	Oral Item / Paper #	Action Required
Confidential advice to Government				
Confidential advice to Government				
Confidential advice to Government				
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
Sharon Corbett	Policy Director, Energy Markets
Rebecca Heerdegen	Policy Director, Energy Markets
Peter Bartlett	Director, Innovation and International
Dominic Kebbell	Manager, Gas and Fuel Supply Policy
Scott Russell	Manager, Energy Use Policy

Key actions tracker (MBIE)

Action and outcome	Updates	Status and upcoming milestones
Priority One: Energy Security		
Confidential advice to Government		
Work underway to assess the energy 'gap' for the Electricity Market Review	Confidential advice to Government	On track
Work underway to bolster the Electricity Authority	You have asked for advice on levers to strengthen the EA's enforcement powers. Confidential advice to Government so that it is a stronger, more effective regulator with strong enforcement tools that effectively deter market rule breaches and enable faster rule-making, comprehensive market monitoring, and a rigorous compliance function. This will mean the EA will be better equipped to ensure the electricity market is reliable and competitive, and crack down on breaches. We are developing this advice, in collaboration with the EA and, in relation to the penalties regime, with the Ministry of Justice.	On track Advice to Minister late October then Cabinet in November.

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
Improving gas market transparency	On 18 August 2025, we briefed you and the Minister for Resources on our work to improve gas sector transparency [BRIEFING-REQ-0015969]. The Minister for Resources agreed to consult the gas sector on additional information to be requested voluntarily. You agreed this consultation would include gas providers and users. We will provide a copy of the consultation document to your office, with consultation to follow shortly thereafter. The consultation will run for six weeks and we will brief you in November about the feedback.	On track Reportback in November
Confidential advice to Government		
Confidential advice to Government		
Energy Strategy Developing a public-facing strategy that will set out the Government's role in creating an energy system that is fit for the future	Confidential advice to Government	

Action and outcome	Updates	Status and upcoming milestones
Wood Energy Strategy Investigating barriers to the development of the domestic supply chain and export opportunities for wood bioenergy	We are undertaking targeted consultation on the draft wood energy strategy and action plan with the wood energy sector including suppliers and users. Confidential advice to Government, international interests We are also working with EECA to ensure their wood energy activity will be ready for announcement alongside the strategy in October and that they are focussed on delivering tangible projects and infrastructure.	On track
Modelling work on economic impacts of declining gas supply	We are currently procuring consultancy services to complete a study into the impact of declining gas supply on the New Zealand economy, with an aim to understand sectoral, regional, and national economic impacts of industrial gas price increases. This will help to inform further policy work on potential options to manage the effects of our declining gas supply. The RfP was released to selected providers this week, and the contract is expected to begin by 1 October 2025.	On track
Amendments to the LFC Regulations to support injection tariffs	In August, Ministerial consultation took place on a draft Cabinet paper for LEG then Cabinet to agree to an exemption from the LFC Regulations for tariffs that contain an injection component. This has been lodged for you to take to LEG on 18 September. Given the schedule on which EDBs revise tariffs for 1 April 2026, to have an effect on EDBs' tariff innovation, this amendment will ideally be agreed by the end of September.	On track You will take a proposed amendment to LEG on 18 September
Priority Two: Confidential advice to Government		
Confidential advice to Government Confidential advice to Government		
Electricity and Gas Safety Standards (including permitted voltage range) Updating 400+ references to international standards in the *Electricity (Safety) Regulations 2010* and *the Gas (Safety and Measurement) Regulations 2010*. This includes new standards for solar and EV chargers, reducing costs	*No change:* The Cabinet paper will be provided to you on 18 September, aiming for lodgement on 2 October and LEG on 9 October. The regulations will take effect on 13 November (allows for 28 Day Rule). PCO and WorkSafe have confirmed this date is feasible.	Delayed Draft LEG paper with you on 18 September 2025. Lodgement on 2 October for 9 October LEG.

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
Priority Three: EDB Efficiency		
EDB efficiency and networking pricing/connections Work across MBIE and regulators to improve EBD performance and efficiency	**Standardisation and collaboration** We have updated the letter of expectation to EDBs in response to your feedback, making it more concise and adding wording on network utilisation and solar export limits. We are waiting for your confirmation on when to send the letter to EDBs. The procurement process has begun for an expert to provide independent recommendations to improve EDB standardisation and collaboration. Confidential advice to Government **Relevant work at the Electricity Authority** The Authority has a number of workstreams underway relating to EDB connection processes and pricing. **Connection prices** In July 2025, the EA decided on four new connection pricing requirements: • EDBs must set prices with reference to a 'least cost technical solution' - ie letting the customer agree to a cheaper option than otherwise may be proposed • EBDs must develop a policy on 'pioneer schemes' – ensuring applicants who fund a network extension receive rebates from those who follow and utilise the same network. • EDBs must, on request, provide a standardised breakdown of their quoted connection charges into specific, defined components • If an EDB charges for capacity costs, it must do so using published rates which reflect the average cost of adding network capacity, rather than the entire cost of an upgrade being allocated to the customer happening to trigger the upgrade. The EA is further considering decisions on: • Reliance limits – which restrict how much electricity distributors could recover from up-front connection charges; and • The obligation on distributors to connect all applications that meet certain criteria.	**On track** EA Code changes come into effect over various dates from April 2026 **On track** EDB efficiency deep dive with you on 15 September

Action and outcome	Updates	Status and upcoming milestones
	Connection processes The EA has also made decisions on Code changes in relation to EDB connection processes: • An amended application process for larger distributed generation – to be better deal with speculative projects in the connection queue • A new application process for larger load projects – creating greater consistency across EDBs • Requiring EDBs to publish pipeline information for large upcoming load/generation connections • Requiring EDBs to provide more information on network capacity **Briefing on EDB network utilisation and measuring incentives for flexible solutions** • We provided advice to you on 12 September 2025.	
Confidential advice to Government [redacted]		
	Priority Four: Offshore Wind	
Offshore Renewable Energy	A Cabinet paper with proposals to amend the legislation was considered at ECO Committee on 10 September. We have provided updated recommendations for tabling at Cabinet to clarify how these proposals affect existing seabed mining approvals. Confidential advice to Government [redacted] We are also preparing the regulations and draft round notice in anticipation of the legislation passing, so they can be issued soon afterwards.	**Delayed** The timing of next steps is contingent on the timeframes to amend and finalise the Bill
	Market Enhancements via Energy Competition Task Force (EA and Commerce Commission)	
Energy Competition Taskforce Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	*1B Standardised flexibility contracts*: *No change*: On 19 August, the EA commenced consultation on an 'Issues and Options' paper on standardised flexibility contracts. The paper confirms EA concerns that current trading volumes are shallow and must improve. They propose voluntary trading continues and outlines options for mandatory trading of minimum volumes, if liquidity doesn't improve. The threshold to move to mandatory trading will be two consecutive quarters, from January 2026, of trading falling below defined levels. If mandatory trading is required, it will be ready to be in place by mid-2026. Consultation closes 30 September. *1C+D level playing field measures*: *No change*: On 19 August, the EA announced it will introduce 'in principle' non-discrimination obligations to increase market transparency and ensure independent retailers can compete. The EA is developing draft Code amendments to implement this decision. It will need to consult on this Code change, which it aims to do in early October. Some media commentary has honed-in on the need for clearer monitoring and enforcement of the obligation Free and frank opinions [redacted]	**On track** On 19 August the EA published its intent to introduce level playing field principles, a backstop regulatory regime for super-peak market making, and announced review of all market making.

Action and outcome	Updates	Status and upcoming milestones
	Free and frank opinions [redacted] The EA also confirmed it will start a review of market marking. Free and frank opinions [redacted] Free and frank opinions [redacted]	
	2D Better compensating industrial flexibility (demand response): No change: On 28 May 2025 the EA published its 'Roadmap for industrial demand flexibility'. On 31 July the EA started consultation on an issues paper relating to an industrial flexibility emergency reserve scheme, consultation runs until 28 August.	
	Other Workstreams	
Hydrogen regulations Delivering Hydrogen Action Plan commitment to amend safety regulations to enable hydrogen	Consultation on *Enabling Hydrogen: technical changes to safety regulations* closed on Monday, 21 July 2025 and we have received 11 submissions. Submitters include the Gas Industry Co, Master Plumbers, Clarus and organisations from hydrogen and transport sectors. Standards New Zealand also made a submission. We are now analysing submissions. Confidential advice to Government [redacted]	**On track** Briefing October and Cabinet in November
New Zealand Energy Efficiency and Conservation Strategy (NZEECS) Develop a refreshed strategy that meets legislative requirements Scott Russell Privacy of natural persons [redacted]	*No change:* We have worked with EECA to develop four draft goals and high-level targets for the New Zealand Energy Efficiency and Conservation Strategy (NZEECS). Confidential advice to Government [redacted] Confidential advice to Government [redacted] Confidential advice to Government [redacted]	**On track** Briefing on draft goals and targets in September 2025
Consumer Data Right Deliver a CDR for the electricity sector Scott Russell Privacy of natural persons [redacted]	*No change:* Submissions on MBIEs 'Proposal for a Consumer Data Right in the electricity sector' paper closed last week. 14 submissions were received, and two late submissions expected this week. Submissions generally supported the draft proposal, with caveats related to ensuring alignment with the Electricity Authority's work programme. A number suggested that the Authority should be designated a data holder. MBIE will engage with smaller retailers, none of whom responded to the paper, analyse submissions and brief you shortly on next steps.	**On track** Briefing on submissions in September 2025
Confidential advice to Government Constitutional conventions [redacted]		
Implementing Electrify NZ Daniel Brown Privacy of natural persons [redacted]	Consultation on updated RMA national directions, including renewable electricity and electricity networks direction, has closed. MBIE is working with MFE to summarise submissions and prepare recommendations for Ministers. The revised national direction is intended to be in place by the end of 2025. The Resource Management (Consenting and Other System Changes) Amendment Bill has now entered into law. This Bill implemented some Electrify NZ proposals	**Ongoing** Meeting with Minister for RMA reform 15 September

Action and outcome	Updates	Status and upcoming milestones
	including one-year consent decisions for energy projects, and default 35-year consent durations. You are meeting the Minister for RMA Reform on 15 September to discuss how the resource management reform programme can support priorities in your portfolio.	
	Status Reports	
Energy Quarterly publication Amapola Generosa Privacy of natural persons [redacted]	MBIE will release the latest New Zealand Energy Quarterly (NZEQ) on Thursday 11 September 2025. The NZEQ provides quarterly data and analysis on energy supply, demand, prices, and associated greenhouse gas emissions. This release covers data from 01 April to 30 June 2025. Unless stated otherwise, all changes are in comparison to the June 2024 quarter. **Energy supply** • Hydro generation was down 6.8% the June 2024 quarter, with lower hydro storage in April contributing to this. • Additions to geothermal generation capacity over the past year saw geothermal generation hit 2,471 GWh in the June 2025 quarter, up 12.6% from the June 2024 quarter. Wind generation was also up 17.6%, while capacity additions also contributed to a 48.7% increase in generation from solar. • The combination of increased generation from renewable sources and lower electricity demand saw generation from gas and coal generation down 0.9% and 38.3% respectively. The share of electricity generation from renewable sources also increased 2.7 percentage points to 84.1%. • To support the electricity generation market, coal imports increased 468 kilo tonnes as shipments of coal arrived in the country to increase the stockpile for electricity generation. **Energy demand** • National electricity consumption fell 4% from the June 2024 quarter. Contributing to this was lower electricity use by New Zealand Aluminium Smelters due to its demand response agreement being in effect. • Residential electricity consumption was also down 4% on the previous June quarter, which had seen increased electricity use due to a cold snap in May 2024. • Total gas use in the economy was down 19.8%, with the quarter seeing Methanex pausing operations at its Motonui facility for 8 weeks to free up gas for electricity generation. **Energy Prices** • Petrol and diesel prices fell due to decisions by OPEC+ to increase their output, along with the removal of the Auckland Regional Fuel Tax on 30 June 2024. Petrol prices decreased 10.3% to 255 cents per litre, and diesel retail prices decreased 14.4% to 181 cents per litre. **Support for the Release** Energy Quarterly was released on 11 September 2025 with a coinciding media release. Associated communications material was provided to your office 24 hours prior to release.	**n/a**

Regular reporting

Title	Comment
Potential commercial deals to enhance winter security of supply • Methanex gas deal • Industry actions to improve security of supply via Huntly contracts • Demand response deals	***Methanex gas deal:*** No change: The 8-week gas swap agreement between Contact, Genesis and Methanex has concluded. On 26 June 2025 Methanex restarted operations at its Motonui plant. ***Huntly-backed contracts for 2026 onwards:*** No change: Genesis, Mercury, Meridian, and Contact have signed agreements for a strategic energy reserve centred on Huntly, to be in place by winter 2026. On 6 August 2025 the Commission published a Statement of Preliminary Issues relating to this application (a standard title for this early-stage assessment). The statement outlines the key issues the Commission considers important for its decision whether the arrangement results in a benefit to the public which would outweigh any lessening of competition. The Commission may decide to set conditions on any authorisation, that would be designed to protect competition. ***Demand response deals:*** 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.
Monthly Oil and Gas production data Amapola Generosa Privacy of natural persons	We published the July 2025 update of our monthly oil and gas production data on Thursday 11 September. This shows that net production of natural gas in July 2025 was 8.69 PJ, up 7% on June 2025 levels (8.16 PJ) due to higher deliveries from most major fields. Despite this, net production in July 2025 was still down 17% on July 2024 levels (10.45 PJ). We publish this data regularly, on the second Thursday of each month. This data gives a comprehensive view of gas production in New Zealand (other public data, such as Gas Industry Company production figures, are based solely on public pipeline data and are less comprehensive). Data for a given month is available 6 weeks after month-end.

Commercial Information

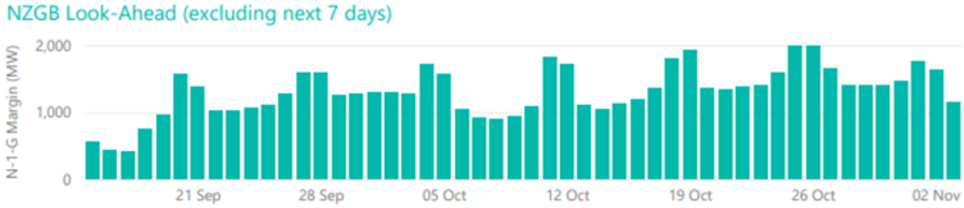
Electricity security of supply report

Tamara Linnhoff
Privacy of natural persons

ELECTRICITY CAPACITY (for the week to Sunday 7 September)

Residual margins were relatively healthy last week with residual at all peaks exceeding 700 MW. The lowest residual occurred on the morning of Wednesday 3 September, at 735 MW. This coincided with low wind generation and the highest demand peak during the week.

The N-1-G margins in the NZGB forecast are healthy through to the start of November:



Source: System Operator, Market Operations - Weekly Market Movements

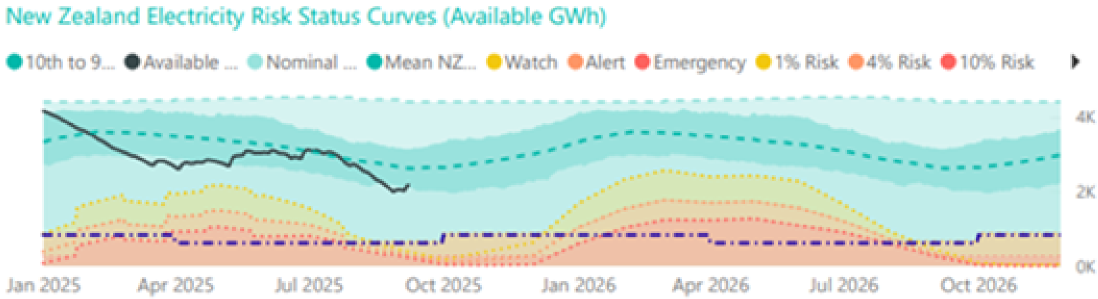
ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 7 September)

New Zealand hydro storage increased after above average inflows and below average hydro generation, rising from 77% of the historic mean to 83% during the past week. South Island hydro storage picked up from 73% to 80% of historic mean and North Island storage remains at 104%.

ELECTRICITY ('ENERGY') SUPPLY RISK (at 7 September)

New Zealand controlled energy storage is below average for this time of year. The black curve shows the actual hydro storage and the fields are risk curves:

Dark blue (including dotted blue line) = average for this of year;
Yellow = Watch curve; Orange = alert curve; Dark orange = Emergency curve;
Lowest hatched blue line = available contingent storage.



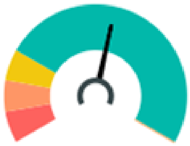
Source: System Operator, Market Operations - Weekly Market Movements

The System Operator last updated the ERCs on **29 August 2025**, commentary on that update is in the Weekly Report of 3 September 2025. The next ERC update is expected at the end of September.

The August update of the ERCs and SSTs includes the effects of hydro storage at the time, slightly decreased gas production forecasts relative to our previous outlook, and the announced retirement of a Huntly Rankine unit in January 2026. If the Rankine is not retired, the risk position for 2026 will improve and no simulated storage trajectories cross Watch.

The Risk Meter is a dynamic reflection of the current Electricity Risk Status. The Risk Meter shows where current total storage is within these status bands and indicates how close the next status is to being triggered.

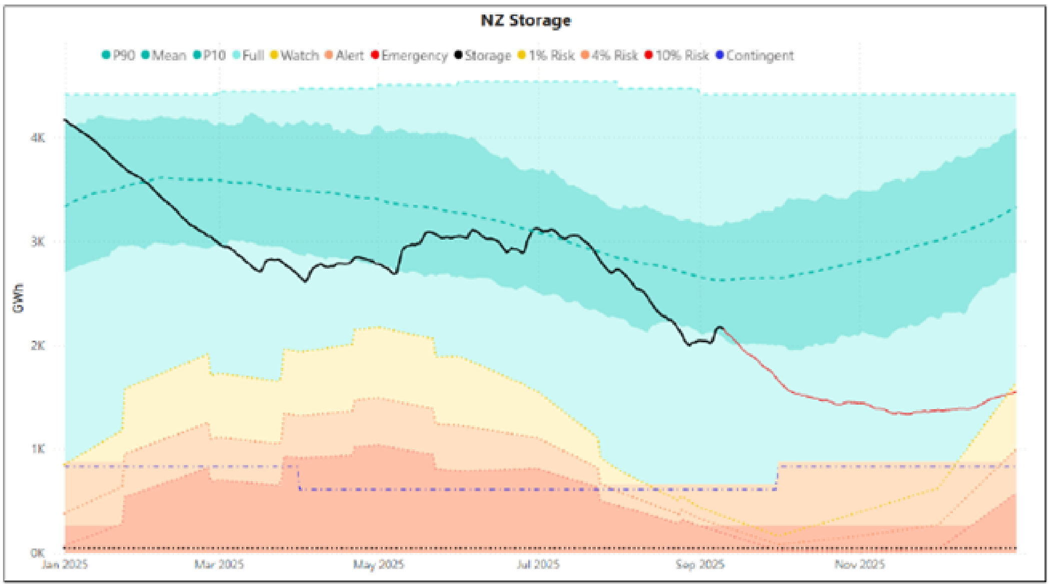
New Zealand Energy Risk

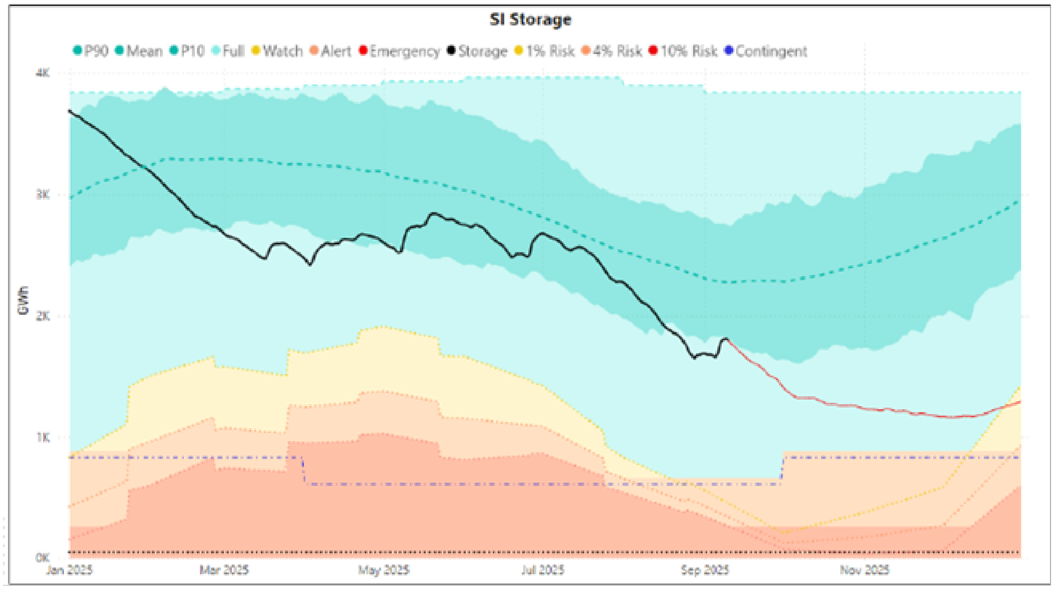


South Island Energy Risk

Normal Watch Alert Emergency

To show the number of days until the NZ system hits energy risk curves - if it does not rain - Transpower have extended the actual hydro storage position (**black** line) along the worst-case simulated storage trajectory (SST) (**red** line):





The ERCs were calculated using input data as of **12 August** and published in Transpower's monthly Energy Security Outlook on **29 August**. The worst-case red line was calculated using historic inflow data starting from **8 September**.

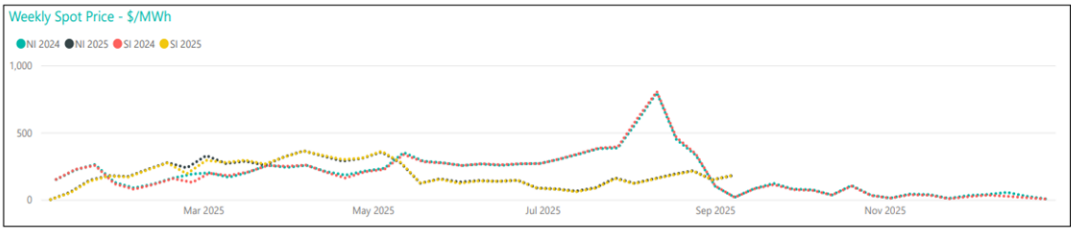
Worst case inflows - Time to cross successive curves

Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	28/12/2025	109	N/A	N/A	N/A	N/A
SI	25/12/2025	106	N/A	N/A	N/A	N/A

This week the worst-case SST (the **red** line) crosses the **Watch** curve for the South Island on 25 December and nationally on 28 December. This line does not cross the **Alert** curve in 2025, which would be necessary for generators to be able to access contingent storage.

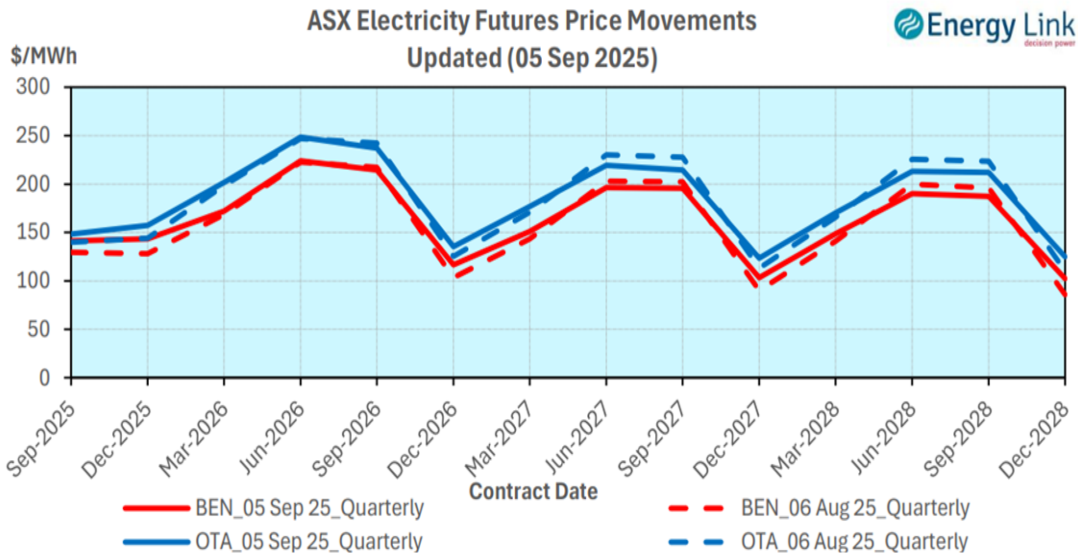
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 7 September 2025)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at last available 5 September 2025)



Source: Energy Link, Energy Trendz Weekly

Transpower's Connections Queue for Generation – improvements to increase project throughput Run rate to start generation investigations (queue) up by 80% in 2025, on 2024. 40 investigation projects started and 12 projects moved to delivery in 2025. 8 grid connections completed. Decrease of 29 projects in queue since January 2025. Wait time for new applications is now ~12 months. 14 new applications received since January 2025. Daniel Brown Privacy of natural persons	***Transpower have provided the following update:*** **<u>Improving throughput:</u>** **Implemented:** • Stage-gating within investigation phase. • Starting work elements earlier pre-investigation where resources are available (while they wait in queue). • Published 'Guidelines for new connections' document. • Connection status information published monthly on our webpage. Published short guide to SOSA (for RMA decision-makers) to highlight need to consent and build new renewable generation. • New CRM system build completed. **Work continuing to investigate/implement:** • Right-sizing investigations to meet customer needs and risk appetite. • Investigation initiation to confirm a preferred connection with acceptance of connection form and commercial terms - to reduce optioneering and accelerate connection projects. • Targeted regional coordination plans, identifying project sequencing and interdependencies to improve efficiency. • Standard equipment lists for standardised designs for greenfield substations. • Customer led investigation and delivery in implementation. • Prioritisation options within the queue (based on security of supply and resource consent status). • CRM go-live in September to enable efficiencies and improvements in customer management and reporting. **Resourcing improvements:** • Continuing to work with engineering consultants (ECs) on utilisation, ECs growing their resources and different work award mechanisms for larger and bundled project.
Electricity pipeline updates	The EA will provide information to you on its generation pipeline dataset monthly.

Solar numbers update

Peter Bartlett

Privacy of natural persons

There have been slight changes in numbers since last week's reporting.

The table below shows the total number of ICPs and MW capacity in New Zealand of solar systems less than 10kW for each category as at 10 September 2025. The below data is drawn from the Electricity Authority's public Electricity Market Information (EMI) website.

Category (solar system size: less than 10 kW)	ICP count	MW capacity
Residential solar (all)	**64,773**	**316.928**
Residential solar (with battery)	**9,828**	**57.192**
Small, Medium Enterprises solar (all)	**2,260**	**13.361**
Small, Medium Enterprises solar (with battery)	**190**	**1.255**
Commercial solar (all)	**1,483**	**8.779**
Commercial solar (with battery)	**85**	**0.560**
Total (solar all)	**68,516**	**339.068**
Total (solar with battery)	**10,103**	**59.007**

The table below shows the solar numbers and MW capacity at the start of the year (data reported on 31 December 2024) and percentage change in ICP numbers and MW capacity.

	As at 31 Dec 2024		Increase in ICP count	Increase in MW capacity
Comparison since start of the year	**ICP count**	**MW Capacity**		
Total (solar all)	**66,009**	**317.360**	**3.80%**	**6.84%**
Total (solar with battery)	**8,212**	**44.146**	**23.03%**	**33.66%**

Stakeholder Updates

Title	Comment
Lightforce Solar & Universal Solar raised issues in the sector Peter Bartlett Privacy of natural persons	Commercial Information
Commerce Commission's Quarterly Fuel Monitoring Report (June 2025) Dominic Kebbell Privacy of natural persons	On 9 September the Commerce Commission published its June 2025 Quarterly Fuel Monitoring Report. It shows that wholesale fuel importer margins have not significantly increased compared to previous quarters. This is the Commission's first report to incorporate data from its new 'fuel importer cost model'. This replaces its previous model that was based on MBIE's published fuel price estimates. (All Quarterly Fuel Monitoring Reports up to the quarter ending 31 March 2025 used MBIE's importer cost data.) The new model seeks to improve the accuracy of the Commission's margins reporting. We will consider whether any insights or improvements from the Commission's monitoring processes can be carried over to our own weekly fuel price monitoring process. We intend to provide you with a further update in due course.
IEA longer term outlook on LNG pricing Rebecca Heerdegen Privacy of natural persons	Last week we queried the International Energy Agency (IEA) Gas Analyst for an update on longer term LNG supply. He noted the IEA expects around 300 billion cubic metres of additional LNG to come online before the end of the decade. Confidential information entrusted to the Government
Ownership of Clarus Dominic Kebbell Privacy of natural persons	**Reports that Canadian investment firm Brookfield is in discussions to acquire Clarus Group** The New Zealand Herald, citing a report from the Australian Financial Review, has revealed that Canadian investment firm Brookfield is in discussions to acquire Clarus Group from its current owner, Igneo Infrastructure Partners. Clarus is a key player in New Zealand's energy

	infrastructure sector, so a change in ownership would mark a notable shift in the industry landscape. Clarus Group owns and operates several major energy businesses, including Firstgas, which supplies natural gas to over 300,000 homes and businesses via its distribution and high-pressure transmission networks. Its other businesses include Rockgas (LPG supply), Firstlight Network (electricity distribution), FirstRenewables (renewable energy projects), and Flexgas (gas storage – the Ahuroa facility).

Current appointments

Confidential advice to Government

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Monday 15 September 2025 5.00 pm – 5.30 pm	'Deep dive' on electricity network issues	**Briefing due:** A3 to be tabled in meeting **Officials required:** Mix of staff from MBIE, Electricity Authority and Commerce Commission
Monday 15 September 2025 6:00 pm – 7:20 pm	Dinner with Ampol and Z Energy	**Briefing Due:** 9 September 2025 **Officials required:** N/A
Monday 15 September 2025 7:30 pm – 8:00 pm	Min Bishop - Energy RMA	**Briefing Due:** 10 September 2025 **Officials required:** Daniel Brown
Tuesday 16 September 2025 4:00 pm – 5:00 pm	Oceania Renewable Power Summit	**Speech Due:** 3 September 2025 **Officials required:** N/A
Thursday 18 September 2025 7:30 am – 8:30 am	Beehive to Business	**DIA led Speech Due:** 10 September 2025 **Officials required:** NA
Thursday 18 September 2025 8:45 am – 9:15 am	Gas NZ	**Briefing MfE led:** **Officials required:** Dominic Kebbell

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publicly released shortly

Information to be publicly released shortly

3. Written Parliamentary Questions

Due to Minister	Number	Member	Question
16 September 2025	44160	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 1 September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and when is any such consultation expected to close?
16 September 2025	44161	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 8 September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and what is the proposed net change in roles?

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
16 September 2025	SW25-284	Privacy of natural persons	LPG and energy prices
16 September 2025	SW25-285	Privacy of natural persons	Energy charges
16 September 2025	SW25-286	Privacy of natural persons	Forcing Lines Company to accept more solar input in Cromwell
18 September 2025	SW25-289	Privacy of natural pers	Solar energy
18 September 2025	SW25-290	Privacy of natural persons	Gas supply in Tokoroa
30 September 2025	SW25-287	Privacy of natural persons	Electricity Prices
30 September 2025	SW25-288	Privacy of natural persons	Retail prices

5. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Energy Portfolio Weekly Report

Week commencing:	22/09/2025	**Priority:**	Medium
Security classification:	**In Confidence**	**Tracking number:**	BRIEFING-REQ-0020969

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

19 September 2025

Minister's comments:

Energy Portfolio
Officials' Meeting Agenda
5:00 pm – 6:00 pm Monday 22 September 2025

Item	Subject	People	Oral Item / Paper #	Action Required
1	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
Rebecca Heerdegen	Policy Director, Energy Markets
Dominic Kebbell	Manager, Gas and Fuel Supply Policy

Key actions tracker (MBIE)

Action and outcome	Updates	Status and upcoming milestones
	Priority One: Energy Security	
Confidential advice to Government		
Confidential advice to Government		
Work underway to bolster the Electricity Authority	You have asked for advice on levers to strengthen the EA's enforcement powers. Confidential advice to Government so that it is a stronger, more effective regulator with strong enforcement tools that effectively deter market rule breaches and enable faster rule-making, comprehensive market monitoring, and a rigorous compliance function. We are developing this advice, in collaboration with the EA and, in relation to the penalties regime, with the Ministry of Justice.	On track
Confidential advice to Government		

Action and outcome	Updates	Status and upcoming milestones
Confidential advice to Government		
Improving gas market transparency	On 18 August 2025, we briefed you on our work to improve gas sector transparency [BRIEFING-REQ-0015969], including a proposed change to the annual report deadline from 31 March to 1 February. The Minister of Resources agreed to consult permit and licence holders on this change, which would allow MBIE to publish reserves data earlier. Consultation with permit and licence holders is underway and closes on 26 September 2025. Confidential advice to Government	Confidential advice to Government
Confidential advice to Government		
Confidential advice to Government		
Energy Strategy Developing a public-facing strategy that will set out the Government's role in creating an energy system that is fit for the future	Confidential advice to Government	
Wood Energy Strategy Investigating barriers to the development of the domestic supply chain and export opportunities for wood bioenergy	*No change:* We are undertaking targeted consultation on the draft wood energy strategy and action plan with the wood energy sector including suppliers and users. Confidential advice to Government, international interests We are also working with EECA to ensure their wood energy activity will be ready for announcement alongside the strategy in October and that they are focussed on delivering tangible projects and infrastructure.	**On track** We will provide you with the outcomes of engagement and the final Wood Energy Strategy in October.
Modelling work on economic impacts of declining gas supply	*No change:* We are currently procuring consultancy services to complete a study into the impact of declining gas supply on the New Zealand economy, with an aim to understand sectoral, regional, and national economic impacts of industrial gas price increases. This will help to inform further policy work on potential options to manage the effects of our declining gas supply. The RfP was released to selected providers on 16 September, and the contract is expected to begin by the end of October 2025.	**On track**

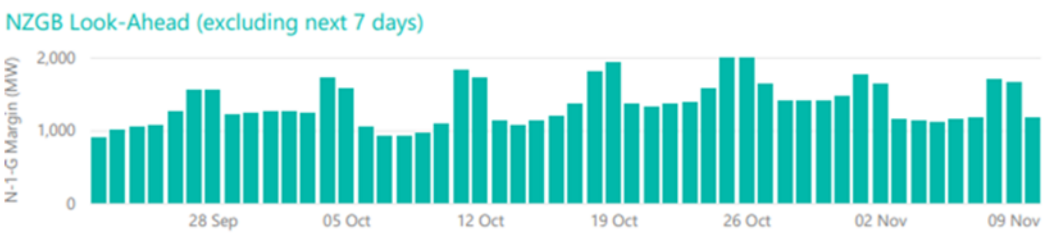
Action and outcome	Updates	Status and upcoming milestones
Amendments to the LFC Regulations to support injection tariffs	LEG considered your Cabinet paper on 18 September – that proposes an exemption from the LFC Regulations for tariffs that contain an injection component. The next step is to seek Cabinet agreement. Given the schedule on which EDBs revise tariffs for 1 April 2026, to have an effect on EDBs' tariff innovation, this amendment should be agreed during September.	**On track** You will take a proposed amendment to Cabinet on 22 September
Priority Two: Confidential advice to Government		
Confidential advice to Government		
Confidential advice to Government		
Electricity and Gas Safety Standards (including permitted voltage range) Updating 400+ references to international standards in the *Electricity (Safety) Regulations 2010* and *the Gas (Safety and Measurement) Regulations 2010*. This includes new standards for solar and EV chargers, reducing costs	*No change:* You signed the Cabinet paper on 18 September and have agreed to circulate for ministerial consultation aiming for lodgement on 2 October and LEG on 9 October. The regulations will take effect on 13 November (allows for 28 Day Rule). PCO and WorkSafe have confirmed this date is feasible.	**Delayed** Draft LEG paper with you on 18 September 2025. Lodgement on 2 October for 9 October LEG.
Confidential advice to Government		

Action and outcome	Updates	Status and upcoming milestones
Priority Three: EDB Efficiency		
EDB efficiency and networking pricing/connections Work across MBIE and regulators to improve EBD performance and efficiency	**Standardisation and collaboration** We have updated the letter of expectation to EDBs in response to your feedback on 15 September. We will work with your office to confirm final content and timing to send to EDBs. The procurement process is underway for an expert to provide independent recommendations to improve EDB standardisation and collaboration. Confidential advice to Government **Relevant work at the Electricity Authority** The Authority has a number of workstreams underway relating to EDB connection processes and pricing. **Connection prices** In July 2025, the EA decided on four new connection pricing requirements: • EDBs must set prices with reference to a 'least cost technical solution' - ie letting the customer agree to a cheaper option than otherwise may be proposed • EBDs must develop a policy on 'pioneer schemes' – ensuring applicants who fund a network extension receive rebates from those who follow and utilise the same network. • EDBs must, on request, provide a standardised breakdown of their quoted connection charges into specific, defined components • If an EDB charges for capacity costs, it must do so using published rates which reflect the average cost of adding network capacity, rather than the entire cost of an upgrade being allocated to the customer happening to trigger the upgrade. The EA is further considering decisions on: • Reliance limits – which restrict how much electricity distributors could recover from up-front connection charges; and • The obligation on distributors to connect all applications that meet certain criteria. **Connection processes** The EA has also made decisions on Code changes in relation to EDB connection processes: • An amended application process for larger distributed generation – to be better deal with speculative projects in the connection queue • A new application process for larger load projects – creating greater consistency across EDBs • Requiring EDBs to publish pipeline information for large upcoming load/generation connections • Requiring EDBs to provide more information on network capacity	**On track** EA Code changes come into effect over various dates from April 2026. Letter to EDBs to be sent from your office at your direction.

Action and outcome	Updates	Status and upcoming milestones
	Confidential advice to Government [redacted]	
Confidential advice to Government [redacted]		
Priority Four: Offshore Wind		
Offshore Renewable Energy	Cabinet agreed changes to the offshore renewable energy legislation on 15 September. Confidential advice to Government [redacted] We are also preparing the regulations and draft round notice in anticipation of the legislation passing, so they can be issued soon afterwards.	**Delayed** The timing of next steps is contingent on the timeframes to amend and finalise the Bill
Market Enhancements via Energy Competition Task Force (EA and Commerce Commission)		
Energy Competition Taskforce Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	*1B Standardised flexibility contracts*: *No change*: On 19 August, the EA commenced consultation on an 'Issues and Options' paper on standardised flexibility contracts. The paper confirms EA concerns that current trading volumes are shallow and must improve. They propose voluntary trading continues and outlines options for mandatory trading of minimum volumes, if liquidity doesn't improve. The threshold to move to mandatory trading will be two consecutive quarters, from January 2026, of trading falling below defined levels. If mandatory trading is required, it will be ready to be in place by mid-2026. Consultation closes 30 September. *1C+D level playing field measures*: *No change*: On 19 August, the EA announced it will introduce 'in principle' non-discrimination obligations to increase market transparency and ensure independent retailers can compete. The EA is developing draft Code amendments to implement this decision. It will need to consult on this Code change, which it aims to do in early October. Some media commentary has honed-in on the need for clearer monitoring and enforcement of the obligation Free and frank opinions [redacted] The EA also confirmed it will start a review of market marking. Free and frank opinions [redacted]	**On track** Consultation on a backstop regulatory regime for super-peak market making runs to 30 September. EA will consult on level playing field principles in early October. The EA will launch a Review of all market making, date TBC.

Action and outcome	Updates	Status and upcoming milestones
	2D Better compensating industrial flexibility (demand response): No change: On 28 May 2025 the EA published its 'Roadmap for industrial demand flexibility'. On 31 July the EA started consultation on an issues paper relating to an industrial flexibility emergency reserve scheme, consultation runs until 28 August.	
	Other Workstreams	
Hydrogen regulations Delivering Hydrogen Action Plan commitment to amend safety regulations to enable hydrogen	Consultation on *Enabling Hydrogen: technical changes to safety regulations* closed on Monday, 21 July 2025 and we have received 11 submissions. Submitters include the Gas Industry Co, Master Plumbers, Clarus and organisations from hydrogen and transport sectors. Standards New Zealand also made a submission. We are now analysing submissions. Confidential advice to Government [redacted]	**On track** Briefing October and Cabinet in November
New Zealand Energy Efficiency and Conservation Strategy (NZEECS) Develop a refreshed strategy that meets legislative requirements	*No Change.* We have worked with EECA to develop four draft goals and high-level targets for the New Zealand Energy Efficiency and Conservation Strategy (NZEECS). Confidential advice to Government [redacted]	**On track** Briefing on draft goals and targets moved to October 2025
Consumer Data Right Deliver a CDR for the electricity sector	MBIE met with the Office of the Privacy Commissioner (OPC) to discuss approaches for an electricity sector CDR. The OPC is supportive of the CDR regime as a whole and a potential electricity sector designation. MBIE will engage with OPC on any privacy issues that arise and through agency consultation when at this stage.	**On track** Briefing on submissions in September 2025
Confidential advice to Government [redacted] Constitutional conventions		
Implementing Electrify NZ	Consultation on updated RMA national directions, including renewable electricity and electricity networks direction, has closed. The Minister for RMA Reform will soon consult you on final proposed changes to RMA national policy statements – these are intended to be in place by the end of 2025. Confidential advice to Government [redacted] The Resource Management (Consenting and Other System Changes) Amendment Bill has now entered into law. This Bill implemented some Electrify NZ proposals including one-year consent decisions for energy projects, and default 35-year consent durations.	**On track** Minister for RMA Reform scheduled to consult you on proposed changes to energy NPSs in week beginning 22 September.

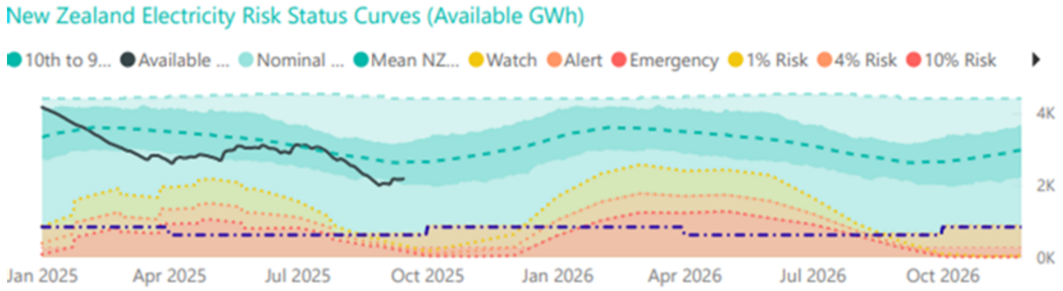
Regular reporting

Title	Comment
Potential commercial deals to enhance winter security of supply • Methanex gas deal • Industry actions to improve security of supply via Huntly contracts • Demand response deals	***Methanex gas deal:*** *No change:* The 8-week gas swap agreement between Contact, Genesis and Methanex has concluded. On 26 June 2025 Methanex restarted operations at its Motonui plant. ***Huntly-backed contracts for 2026 onwards:*** *No change:* Genesis, Mercury, Meridian, and Contact have signed agreements for a strategic energy reserve centred on Huntly, to be in place by winter 2026. On 6 August 2025 the Commission published a Statement of Preliminary Issues relating to this application (a standard title for this early-stage assessment). The statement outlines the key issues the Commission considers important for its decision whether the arrangement results in a benefit to the public which would outweigh any lessening of competition. The Commission may decide to set conditions on any authorisation, that would be designed to protect competition. ***Demand response deals:*** *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.
Commercial Information	
Electricity security of supply report Tamara Linnhoff Privacy of natural persons	**ELECTRICITY CAPACITY (for the week to Sunday 14 September)** Residual margins were healthy last week with residual over most peaks exceeding 500 MW, the exception being on the morning of Monday 8 September where residual dropped to 475 MW. The N-1-G margins in the NZGB forecast are healthy through to the start of November:  *Source: System Operator, Market Operations - Weekly Market Movements* **ENERGY (HYDRO) STORAGE RELATIVE TO MEAN (for the week to 14 September)** Following recent rains, national hydro storage remained at 83% of its historical (mean) average for this time of year. South Island hydro storage decreased from 80% to 78% of historic mean while North Island storage increased from 104% to 110% .

ELECTRICITY ('ENERGY') SUPPLY RISK (at 14 September)

New Zealand controlled energy storage is below average for this time of year. The black curve shows the actual hydro storage and the fields are risk curves:

Dark blue (including dotted blue line) = average for this time of year;
Yellow = Watch curve; Orange = alert curve; Dark orange = Emergency curve;
Lowest hatched blue line = Available contingent storage.



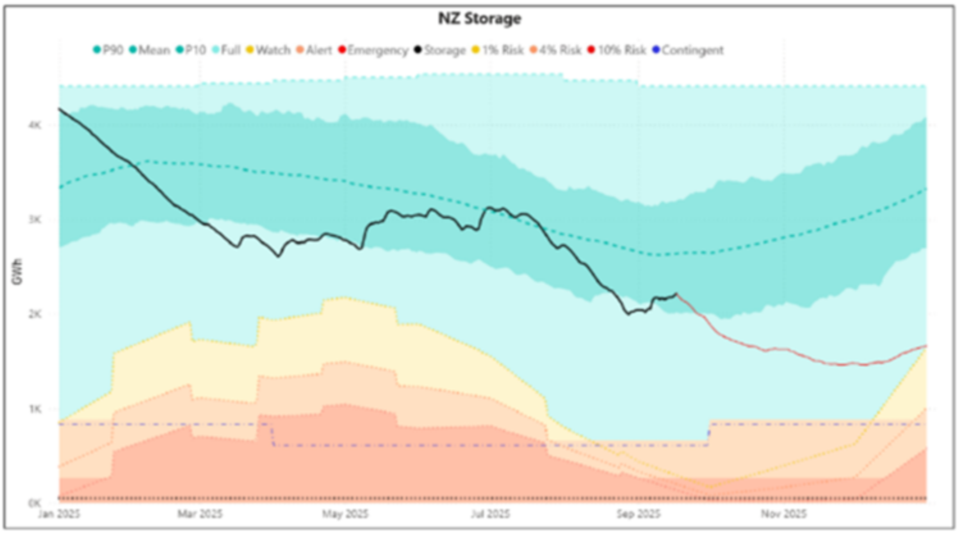
Source: System Operator, Market Operations - Weekly Market Movements

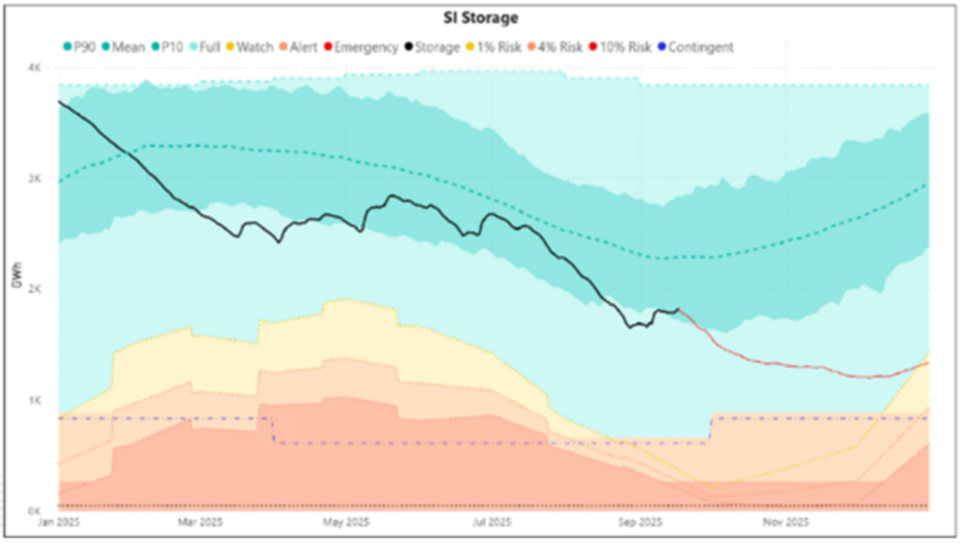
The System Operator last updated the ERCs on **29 August**, commentary on that update is in the Weekly Report of 3 September 2025. The next ERC update is expected at the end of September.

The August update of the ERCs and SSTs (published 29 August) includes the effects of hydro storage at the time, slightly decreased gas production forecasts relative to our previous outlook, and the announced retirement of a Huntly Rankine unit in January 2026. If the Rankine is not retired, the risk position for 2026 will improve and no simulated storage trajectories cross Watch.

The Risk Meter is a dynamic reflection of the current Electricity Risk Status. The Risk Meter shows where current total storage is within these status bands and indicates how close the next status is to being triggered.

To show the number of days until the NZ system hits energy risk curves - if it does not rain - Transpower have extended the actual hydro storage position (**black** line) along the worst-case simulated storage trajectory (SST) (**red** line):





The ERCs shown were calculated using input data as of **12 August** (though published in the ERCs on **29 August**). The worst-case SST line was calculated using hydro inflow data starting from **15 September**.

Worst case inflows - Time to cross successive curves

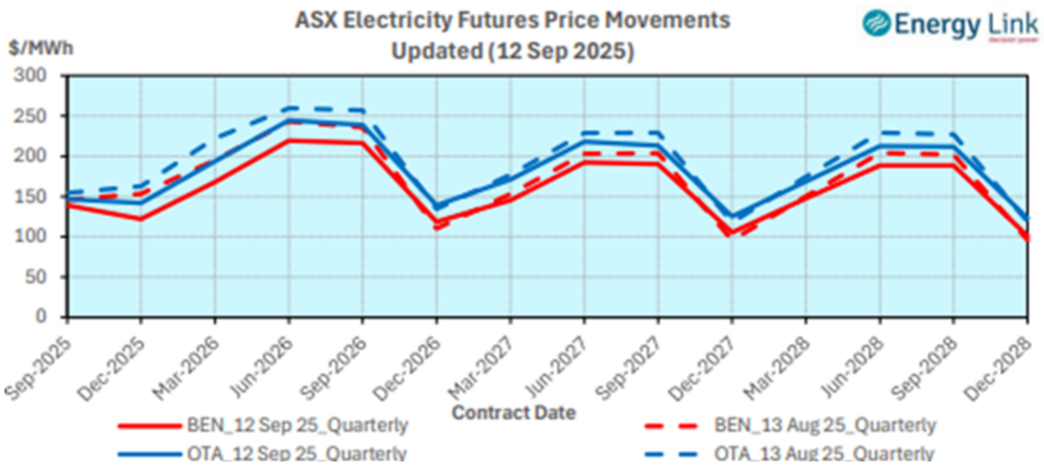
Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	N/A	N/A	N/A	N/A	N/A	N/A
SI	27/12/2025	101	N/A	N/A	N/A	N/A

This week the worst-case SST (the **red** line) crosses the Watch curve for the South Island on 27 December but does not cross it nationally. This line does not cross the Alert curve in 2025. Crossing the Alert curve is necessary for generators to be able to access contingent storage.

WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 14 September July 2025)

Source: System Operator, Market Operations - Weekly Market Movements

	ASX Electricity Futures Prices (as at last available 12 September 2025)  *Source: Energy Link, Energy Trendz Weekly*
Transpower's Connections Queue for Generation – improvements to increase project throughput CY2025 run rate to start generation investigations (queue) up by 80% on 2024. 40 investigation projects started, 12 projects moved to delivery in 2025 and 8 grid connections completed. NB: There are currently three generation projects in the delivery stage "on hold" at the request of the developers. Two are being re-assessed by the developers for re-starting. The developer of the third project has pushed back the construction date by 12 months. Decrease of 29 projects in queue since January. Maximum wait time for new applications is ~12 months. 15 new applications received since January (and one cancelled).	***Transpower have provided the following update:*** **<u>Improving throughput:</u>** **Implemented:** • Stage-gating within investigation phase. • Starting work elements earlier pre-investigation where resources are available (while they wait in queue). • Published 'Guidelines for new connections' document. • Connection status information published monthly on our webpage. Published short guide to SOSA (for RMA decision-makers) to highlight need to consent and build new renewable generation. • New CRM system build completed. • Guidelines around customer led investigation and delivery substantially completed; projects underway. **Work continuing to investigate/implement:** • Right-sizing investigations to meet customer needs and risk appetite. • Investigation initiation to confirm a preferred connection with acceptance and commercial terms - to reduce optioneering and accelerate investigation stage. • Targeted regional coordination plans, identifying project sequencing and interdependencies to improve efficiency. • Standard equipment lists now including digital substation for standardised designs for greenfield substations. • Prioritisation options within the queue, based on security of supply (including how soon generation can commence to meet forecast demand). • CRM go-live in October to enable efficiencies and improvements in customer management and reporting. **Resourcing improvements:** Continuing to work with engineering consultants (ECs) on utilisation, EC's growing their resources and different work award mechanisms for larger and bundled projects

Electricity pipeline updates	The EA will provide information to you on its generation pipeline dataset monthly.
Solar numbers update	No changes from last week. The table below shows the total number of ICPs and MW capacity in New Zealand of solar systems less than 10kW for each category as at 10 September 2025. The below data is drawn from the Electricity Authority's public Electricity Market Information (EMI) website.

Category (solar system size: less than 10 kW)	ICP count	MW capacity
Residential solar (all)	**64,773**	**316.928**
Residential solar (with battery)	**9,828**	**57.192**
Small, Medium Enterprises solar (all)	**2,260**	**13.361**
Small, Medium Enterprises solar (with battery)	**190**	**1.255**
Commercial solar (all)	**1,483**	**8.779**
Commercial solar (with battery)	**85**	**0.560**
Total (solar all)	**68,516**	**339.068**
Total (solar with battery)	**10,103**	**59.007**

The table below shows the solar numbers and MW capacity at the start of the year (data reported on 31 December 2024) and percentage change in ICP numbers and MW capacity.

	As at 31 Dec 2024		**Increase in ICP count**	**Increase in MW capacity**
Comparison since start of the year	**ICP count**	**MW Capacity**		
Total (solar all)	**66,009**	**317.360**	**3.80%**	**6.84%**
Total (solar with battery)	**8,212**	**44.146**	**23.03%**	**33.66%**

Stakeholder Updates

Title	Comment
Commercial Information	
Update on the energy workforce planning prototype Stephen Tat Privacy of natural persons	As previously advised, the Minister for Social Development and Employment was keen to progress a government-supported 'workforce planning prototype' in the energy sector [Briefing REQ-0016536 refers]. You were supportive of this. MBIE (Employment Officials) have now signed a Memorandum of Understanding with Energy Resources Aotearoa (ERA) and the Electricity Engineers' Association (EEA) to progress this initiative. The MoU outlines how organisations will work together on the national workforce report and action plan that the ERA and EEA plan to publicly release in December.

	The first tranche of work, due at the end of September, includes collating research on tertiary and vocational education, immigration, workforce and related government activities, and labour market trends. MBIE will meet the EEA and ERA in early October to test the rationale for government action and determine next steps (including what further work). This work continues to be led by MBIE Employment officials, but we will keep observing progress. We will keep you updated as relevant.

Current appointments

Confidential advice to Government

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Monday 22 September 2025 2:00 pm – 3:30 pm	Speak Russell McVeagh Boardroom	**Briefing Due:** N/A **Officials required:** Helena Terry
Tuesday 23 September 2025 1:00 pm – 2:00 pm	Buller Electricity	**Briefing Due:** 18 September 2025 **Officials required**: Peter Southey-Jensen
Tuesday 23 September 2025 3:45 pm – 4:45 pm	Westland Milk	**Briefing Due:** 18 September 2025 **Officials required:** Peter Southey-Jensen
Thursday 25 September 2025 9:30 am – 10:00 am	Lucie Drummond (Secretariat) and Nigel Barbour (CEO Orion Goup and Chair) Energy Transition Framework	**Briefing Due:** 17 September 2025 **Officials required:** Justine Cannon
Thursday 25 September 2025 10:00 am – 10:30 am	GridSmart	**Briefing Due:** 18 September 2025 **Officials required:** Justine Cannon
Thursday 25 September 2025 10:30 am – 11:00 am	EA (regular fortnightly meeting)	**Briefing Due:** N/A **Officials required:** Justine Cannon
Thursday 25 September 2025 11:00 am – 11:20 am	Transpower (regular fortnightly meeting)	**Briefing Due:** N/A **Officials required**: Justine Cannon

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publicly released shortly

Information to be publicly released shortly

3. Written Parliamentary Questions

Due to Minister	Number	Member	Question
23 September 2025	45088	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 15 September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and when is any such consultation expected to close?
23 September 2025	45091	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 15 September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and what is the proposed net change in roles?

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
30 September 2025	SW25-287	Privacy of natural persons	Electricity Prices
30 September 2025	SW25-288	Privacy of natural persons	Retail prices
2 October 2025	SW25-291	Privacy of natural persons	Meter reading

2 October 2025	SW25-292	Privacy of natural persons	Energy requirements for Amazon Web Services
2 October 2025	SW25-293	Privacy of natural person	Natural Gas
2 October 2025	SW25-294	Privacy of natural persons	Data Centres in Auckland
2 October 2025	SW25-295	Privacy of natural persons	Solar installation
2 October 2025	SW25-296	Privacy of natural persons	Power increases

5. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Energy Portfolio Weekly Report

Week commencing:	29/09/2025	**Priority:**	Medium
Security classification:	**In Confidence**	**Tracking number:**	BRIEFING-REQ-0021300

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

26 September 2025

Minister's comments:

Energy Portfolio
Officials' Meeting Agenda
9:00 am – 9:30 am Monday 29 September 2025 (online)

Item	Subject	People	Oral Item / Paper #	Action Required
1.	Energy Announcement	Sharon Corbett	Oral	Discuss
2.	Energy Sector Framework	Justine Cannon	Oral	Discuss
3.	Weekly Report & Work Programme	Minister	Oral	Discuss
4.	Any other business	All	Oral	Discuss

Ministry of Business, Innovation & Employment officials attending:

Name	Position
Suzanne Stew	(Acting) 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
Rebecca Heerdegen	Policy Director, Energy Markets

Key actions tracker (MBIE)

Action and outcome	Updates	Status and upcoming milestones
Priority One: Energy Gap		
Confidential advice to Government		
Confidential advice to Government		
Work underway to bolster the Electricity Authority	You have asked for advice on levers to strengthen the EA's enforcement powers. **[In Confidence.** On Monday, Cabinet will confirm the CBC decisions**]** to bolster the Electricity Authority so that it is a stronger, more effective regulator with strong enforcement tools that effectively deter market rule breaches and enable faster rule-making, comprehensive market monitoring, and a rigorous compliance function. We are developing this advice, in consultation with the EA and, in relation to the penalties regime, with the Ministry of Justice.	On track
Confidential advice to Government		
Improving gas market transparency	*No change:* On 18 August 2025, we briefed you on our work to improve gas sector transparency [BRIEFING-REQ-0015969], including a proposed change to the annual report deadline from 31 March to 1 February. The Minister for Resources agreed to consult permit and licence holders on this change, which would allow MBIE to publish reserves data earlier. Consultation with permit and licence holders is underway and closed on 26 September 2025. Confidential advice to Government	On track Report back in November
Confidential advice to Government		

Confidential advice to Government		
Confidential advice to Government		
Energy Strategy Developing a public-facing strategy that will set out the Government's role in creating an energy system that is fit for the future.	Confidential advice to Government	
Wood Energy Strategy Investigating barriers to the development of the domestic supply chain and export opportunities for wood bioenergy.	Targeted consultation on the draft wood energy strategy has now closed and MBIE are currently processing feedback. We will provide you and the Minister of Forestry a final Strategy for approval in October, for announcement at Residues2Revenues on 22 October. Confidential advice to Government, international interests [redacted] EECA this week also released an RFP for repayable grants to enable wood energy manufacturers for repayable grants to help finance robust investment cases for wood energy manufacturing facilities (such as black pellet and white pellet manufacturers). It is designed specifically to bridge the finance gap between feasibility (FEL2) and being investment ready. This RFP closes on 23rd October.	**On track**
Modelling work on economic impacts of declining gas supply	*No change:* We are currently procuring consultancy services to complete a study into the impact of declining gas supply on the New Zealand economy, with an aim to understand sectoral, regional, and national economic impacts of industrial gas price increases. This will help to inform further policy work on potential options to manage the effects of our declining gas supply. The RfP was released to selected providers on 16 September, and the contract is expected to begin by the end of October 2025.	**On track**
Amendments to the LFC Regulations to support injection tariffs	Amendments were Gazetted on 25 September 2025. We will inform the EA, ENA and ERANZ on 26 September. There are no further implementation actions so this project will be complete.	**On track**
Priority Two: Confidential advice to Government		
Confidential advice to Government		
Confidential advice to Government		

Electricity and Gas Safety Standards (including permitted voltage range) Updating 400+ references to international standards in the *Electricity (Safety) Regulations 2010* and *the Gas (Safety and Measurement) Regulations 2010*. This includes new standards for solar and EV chargers, reducing costs	*No change:* You signed the Cabinet paper on 18 September and have agreed to circulate for ministerial consultation aiming for lodgement on 2 October and Cabinet LEG on 9 October. The regulations will take effect on 13 November (allows for 28 Day Rule). PCO and WorkSafe have confirmed this date is feasible.	**Delayed** Draft LEG paper with you on 18 September 2025. Lodgement on 2 October for 9 October LEG.
Confidential advice to Government [redacted]		
Priority Three: EDB Efficiency		
EDB efficiency and networking pricing/connections Work across MBIE and regulators to improve EDB performance and efficiency	**Standardisation and collaboration** We have updated the letter of expectation to EDBs in response to your feedback on 15 September. We will work with your office to confirm final content and timing to send to EDBs, but as discussed with you at officials, this will be after announcements on the Review (Wednesday, 1 October). The procurement process is underway for an expert to provide independent recommendations to improve EDB standardisation and collaboration. The contract is planned to start in mid-October. Confidential advice to Government [redacted] **Relevant work at the Electricity Authority** The Authority has a number of workstreams underway relating to EDB connection processes and pricing. **Connection prices** In July 2025, the EA decided on four new connection pricing requirements: • EDBs must set prices with reference to a 'least cost technical solution' – ie letting the customer agree to a cheaper option than otherwise may be proposed • EBDs must develop a policy on 'pioneer schemes' – ensuring applicants who fund a network extension receive rebates from those who follow and utilise the same network.	**On track** EA Code changes come into effect over various dates from April 2026. Letter to EDBs to be sent from your office at your direction.

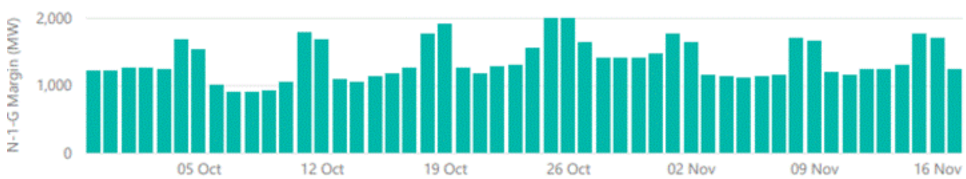
	• EDBs must, on request, provide a standardised breakdown of their quoted connection charges into specific, defined components • If an EDB charges for capacity costs, it must do so using published rates which reflect the average cost of adding network capacity, rather than the entire cost of an upgrade being allocated to the customer happening to trigger the upgrade. The EA is further considering decisions on: • Reliance limits – which restrict how much electricity distributors could recover from up-front connection charges; and • The obligation on distributors to connect all applications that meet certain criteria. **Connection processes** The EA has also made decisions on Code changes in relation to EDB connection processes: • An amended application process for larger distributed generation – to be better deal with speculative projects in the connection queue • A new application process for larger load projects – creating greater consistency across EDBs • Requiring EDBs to publish pipeline information for large upcoming load/generation connections • Requiring EDBs to provide more information on network capacity.	
Confidential advice to Government [redacted]		
Priority Four: Offshore Wind		
Offshore Renewable Energy	Cabinet agreed changes to the offshore renewable energy legislation on 15 September. We have issued drafting instructions to PCO for preparation of an amendment paper. Confidential advice to Government [redacted] In the meantime we will continue to work on the amendment paper, secondary legislation, round notice and implementation planning so the first round can be opened shortly after the Bill passes.	**Delayed** Confidential advice to Government [redacted] The timing of next steps is contingent on the timeframes to amend and finalise the Bill

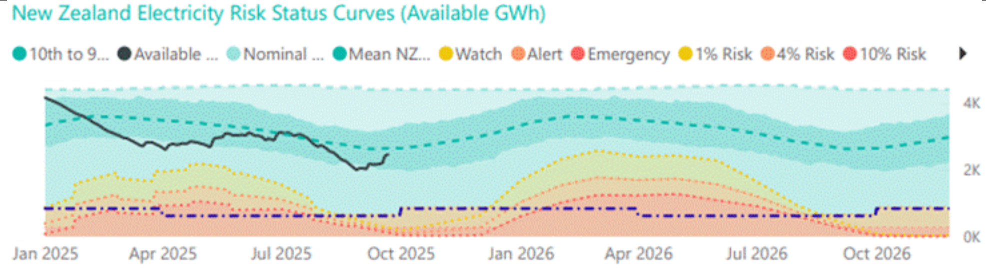
Other (MBIE Energy branch) workstreams		
Hydrogen regulations Delivering Hydrogen Action Plan commitment to amend safety regulations to enable hydrogen	Consultation on *Enabling Hydrogen: technical changes to safety regulations* closed on Monday, 21 July 2025 and we have received 11 submissions. We are now analysing submissions in conjunction with Health and Safety policy officials and WorkSafe NZ. Confidential advice to Government [redacted]	**On track** Briefing October and Cabinet in November
New Zealand Energy Efficiency and Conservation Strategy (NZEECS) Develop a refreshed strategy that meets legislative requirements.	*No Change.* We have worked with EECA to develop four draft goals and high-level targets for the New Zealand Energy Efficiency and Conservation Strategy (NZEECS). Confidential advice to Government [redacted]	**On track** Confidential advice to Government [redacted]
Consumer Data Right Deliver a CDR for the electricity sector	This week we are reporting back to you and the Minister of Commerce and Consumer Affairs with the outcomes of targeted consultation for the CDR designation. While submitters broadly supported the proposals in the discussion paper, they raised a significant new suggestion that the Electricity Authority should be a designated data holder, which we are working through the implications of currently.	**Delayed** Briefing on consultation this week, aiming for policy decisions in Q.4
Confidential advice to Government [redacted]		
Constitutional conventions [redacted]		
Implementing Electrify NZ	Consultation on updated RMA national directions, including renewable electricity and electricity networks direction, has closed. The Minister for RMA Reform will soon consult you (if he has not already) on final proposed changes to RMA national policy statements – these are intended to be in place by the end of 2025. Confidential advice to Government [redacted] The Resource Management (Consenting and Other System Changes) Amendment Bill has now entered into law. This Bill implemented some Electrify NZ proposals including one-year consent decisions for energy projects, and default 35-year consent durations. This programme is also included in your announcements on the Government response to the Electricity Markets Review.	**On track** Minister for RMA Reform was scheduled to consult you on proposed changes to energy NPSs in week beginning 22 September.
Negotiations [redacted]		

Negotiations

Market Enhancements via Energy Competition Task Force (EA and Commerce Commission)		
Energy Competition Taskforce Joint EA and Commerce Commission investigation of options to improve competition and enable consumers to manage usage and costs	*1B Standardised flexibility contracts: No change:* On 19 August, the EA commenced consultation on an ‘Issues and Options’ paper on standardised flexibility contracts. The paper confirms EA concerns that current trading volumes are shallow and must improve. They propose voluntary trading continues and outlines options for mandatory trading of minimum volumes, if liquidity doesn’t improve. The threshold to move to mandatory trading will be two consecutive quarters, from January 2026, of trading falling below defined levels. If mandatory trading is required, it will be ready to be in place by mid-2026. Consultation closes 30 September.	**On track** Consultation on a backstop regulatory regime for super-peak market making runs to 30 September. EA will release a consultation paper on level playing field principles on 6 October. The EA will launch a Review of all market making, date TBC.
	1C+D level playing field measures: The EA is planning to release a consultation paper for the draft Code amendments to implement its ‘in principle’ non-discrimination obligations. The paper is due to be released on 6 October, pending EA Board approval. We have seen a draft of the consultation paper. Confidential advice to Government [redacted] The EA also confirmed it will start a review of market marking. Confiden Confidential advice to Government [redacted]	
	2D Better compensating industrial flexibility (demand response): No change: On 28 May 2025 the EA published its 'Roadmap for industrial demand flexibility’. On 31 July the EA started consultation on an issues paper relating to an industrial flexibility emergency reserve scheme, consultation runs until 28 August.	

Regular reporting

Title	Comment
Potential commercial deals to enhance winter security of supply • Methanex gas deal • Industry actions to improve security of supply via Huntly contracts • Demand response deals	**Methanex gas deal:** *No change:* The 8-week gas swap agreement between Contact, Genesis and Methanex has concluded. On 26 June 2025 Methanex restarted operations at its Motonui plant. **Huntly-backed contracts for 2026 onwards:** *No change:* Genesis, Mercury, Meridian, and Contact have signed agreements for a strategic energy reserve centred on Huntly, to be in place by winter 2026. On 6 August 2025 the Commission published a Statement of Preliminary Issues relating to this application (a standard title for this early-stage assessment). The statement outlines the key issues the Commission considers important for its decision whether the arrangement results in a benefit to the public which would outweigh any lessening of competition. The Commission may decide to set conditions on any authorisation, that would be designed to protect competition. **Demand response deals:** *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.
Commercial Information [redacted]	
Electricity security of supply report Tamara Linnhoff Privacy of natural persons [redacted]	**ELECTRICITY CAPACITY (for the week to Sunday 21 September)** Capacity margins were healthy last week with residual at all peaks exceeding 1,000 MW. The lowest residual occurred on the morning of 21 September, at 1,007 MW. The N-1-G margins in the NZGB forecast are healthy through to mid-November. 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 21 September)** Inflows across the motu last week resulted in national hydro storage levels, increasing to 96% of the historic mean from 83% the week prior. South Island hydro storage increased from 78% to 93% of historic mean and North Island storage increased from 110% to 114%. **ELECTRICITY ('ENERGY') SUPPLY RISK (at 21 September)** **New Zealand controlled energy storage** is average for this time of year. The black curve shows the actual hydro storage and the fields are risk curves: Dark blue (including dotted blue line) = average for this time of year; Yellow = Watch curve; Orange = alert curve; Dark orange = Emergency curve; Lowest hatched blue line = Available contingent storage.

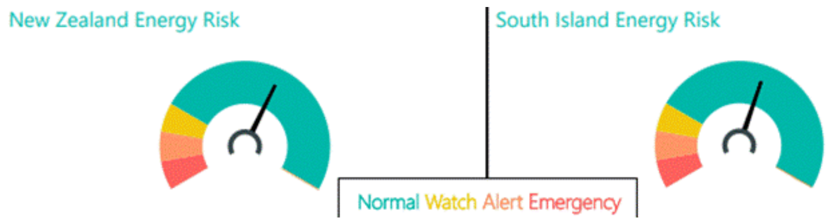


Source: System Operator, Market Operations - Weekly Market Movements

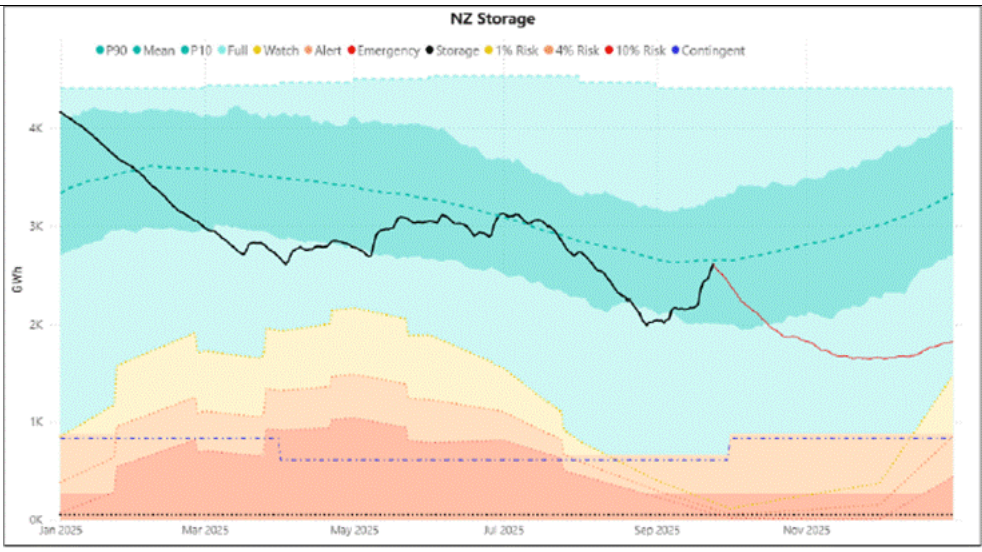
The System Operator last updated the ERCs on 29 August, commentary on that update is in the Weekly Report of 3 September 2025. The next ERC update is expected at the end of September.

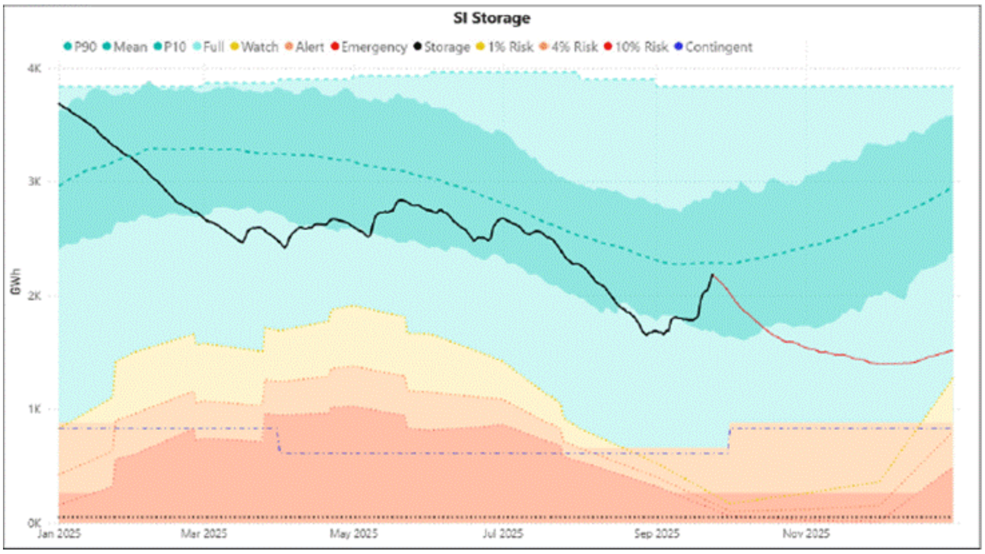
The August update of the Energy Security Outlook includes the effects of hydro storage at the time, slightly decreased gas production forecasts relative to our previous outlook, and the announced retirement of a Huntly Rankine unit in January 2026. If the Rankine is not retired, the risk position for 2026 will improve and no simulated storage trajectories cross Watch.

The Risk Meter is a dynamic reflection of the current Electricity Risk Status. The Risk Meter shows where current total storage is within these status bands and indicates how close the next status is to being triggered.



To show the number of days until the NZ system hits energy risk curves - if it does not rain - Transpower have extended the actual hydro storage position (**black** line) along the worst-case simulated storage trajectory (SST) (**red** line):





The ERCs shown were calculated using input data as of **12 August** (though published in the ERCs on **29 August**. The worst-case SST line was calculated using hydro inflow data starting from **22 September**.

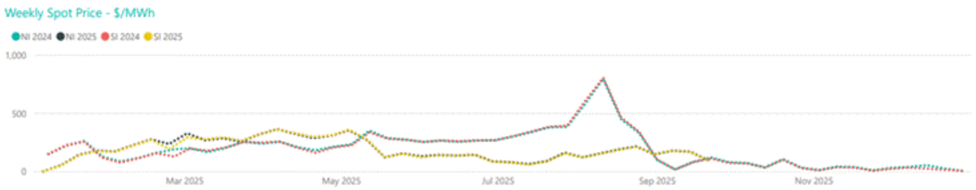
Worst case inflows - Time to cross successive curves

Region	Date Watch	Time to Watch	Date Alert	Time to Alert	Date Emergency	Time to Emergency
NZ	N/A	N/A	N/A	N/A	N/A	N/A
SI	N/A	N/A	N/A	N/A	N/A	N/A

This week the worst-case SST (the **red** line) does not cross the national NZ or South Island Watch curve in 2025. The red line does not cross the Alert curve in 2025, which would be necessary for generators to be able to access contingent storage.

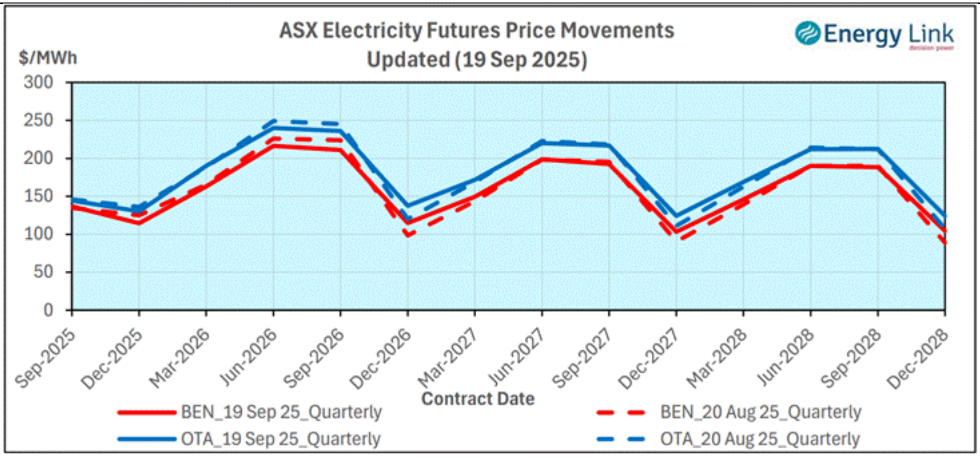
WHOLESALE ELECTRICITY PRICES

Weekly Spot Price (week ended 21 September 2025)



Source: System Operator, Market Operations - Weekly Market Movements

ASX Electricity Futures Prices (as at last available 19 September 2025)

	 *Source: Energy Link, Energy Trendz Weekly*
Transpower's Connections Queue for Generation – improvements to increase project throughput CY2025 run rate to start generation investigations (queue) up by 80% on 2024. 43 investigation projects started, 12 projects moved to delivery in 2025 and 8 grid connections completed. Decrease of 32 projects in queue since January. Maximum wait time for new applications is ~12 months. 16 new applications received since January (and one cancelled).	**Transpower have provided the following update:** **Improving throughput:** **Implemented:** • Stage-gating within investigation phase. • Starting work elements earlier pre-investigation where resources are available (while they wait in queue). • Published 'Guidelines for new connections' document. • Connection status information published monthly on our webpage. Published short guide to SOSA (for RMA decision-makers) to highlight need to consent and build new renewable generation. • New CRM system build completed. • Guidelines around customer led investigation and delivery substantially completed; projects underway. **Work continuing to investigate/implement:** • Right-sizing investigations to meet customer needs and risk appetite. • Investigation initiation to confirm a preferred connection with acceptance and commercial terms - to reduce optioneering and accelerate investigation stage. • Targeted regional plans, identifying project sequencing and interdependencies to improve efficiency. • Standard equipment lists now including digital substation for standardised designs for greenfield substations. • Prioritisation options within the queue, based on security of supply (including how soon generation can commence to meet forecast demand). **Resourcing improvements:** Continuing to work with engineering consultants (ECs) on utilisation, EC's growing their resources and different work award mechanisms for larger and bundled projects
Electricity pipeline updates	The EA will provide information to you on its generation pipeline dataset monthly.

Stakeholder Updates

Title	Comment
Electricity Authority lower 'wholesale price risk' indicator Tamara Linnhoff Privacy of natural persons	On 22 September the EA revised its wholesale price risk downwards, from 'amber' (medium risk) to 'green' (low risk). The main factors behind this change are recent rainfall boosting hydro storage and forecasts for further rain this month. Warmer weather has also reduced demand and wind generation has increased. As at 22 September forecast daily average wholesale spot prices were around $129/MWh for this quarter, compared to ~$149/MWh on 1 September which is when the EA's price risk assessment had moved from 'green' to 'amber' (reported to you by the EA on 1 September and by MBIE in the Weekly Report 5 September Weekly report). The EA notes the majority of generator outages occur in spring (and autumn). However, there's a large coal stockpile (almost 1,000 kilotonnes) and extra gas is available thanks to a deal between Contact and Greymouth Petroleum. The EA's security of supply risk assessments for energy and capacity both continue to be at 'green'.
Commercial Information	
Commercial Information	

Current appointments

Confidential advice to Government

Upcoming Ministerial Items

1. Upcoming Energy meetings

Meeting date	Meeting	Details
Tuesday 30 September 2025 8:15 am – 9:30 am	Visit to Greymouth Petroleum	**Briefing Due:** Midday Thursday 25 September 2025 **Officials required:** Kathryn Rush
Tuesday 30 September 2025 10:15 am – 11.15 am	Venture Taranaki and the Taranaki Mayoral Forum	**Briefing Due:** Midday Thursday 25 September 2025 **Officials required:** Kathryn Rush
Tuesday 30 September 2025 11:30 am – 1:00 pm	Stratford famer and community lunch	**MfE leading** **Officials required:** Kathryn Rush
Tuesday 30 September 2025 3.30pm to 4.30pm	Visit to Clarus Control Room	**Briefing Due:** Midday Thursday 25 September 2025 **Officials required:** Kathryn Rush

2. Upcoming Briefings, Aides Memoires and Cabinet Papers

Information to be publicly released shortly

Information to be publicly released shortly

Pending and date TBC

Information to be publicly released shortly

3. Written Parliamentary Questions

Due to Minister	Number	Member	Question
30 September 2025	45736	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 22 September with employees around any changes to employment roles, employment numbers and any other employment conditions, and when is any such consultation expected to close?
30 September 2025	45737	Francisco Hernandez	What consultations are the Minister's departments, agencies, crown entities and any other bodies that the Minister is responsible for, if any, planning to open on the week beginning Monday 22 September 2025 with employees around any changes to employment roles, employment numbers and any other employment conditions, and what is the proposed net change in roles?
30 September 2025	45794	Hon Dr Megan Woods	Did he or his officials direct the reviewers of the Frontier Economics electricity market performance review to consult particular stakeholders, and if so, which stakeholders?
30 September 2025	45795	Hon Dr Megan Woods	What steps were taken to guarantee the independence of Frontier Economics from government policy preferences during the electricity market performance review?
30 September 2025	45796	Hon Dr Megan Woods	Did he or his officials have any input into drafts of the Frontier Economics electricity market performance review before they were finalised?

4. Ministerial Correspondence received

Due date	Tracking number	Correspondent	Summary of Correspondence
30 September 2025	SW25-287	Privacy of natural persons	Electricity Prices
30 September 2025	SW25-288	Privacy of natural persons	Retail prices
2 October 2025	SW25-291	Privacy of natural persons	Meter reading
2 October 2025	SW25-292	Privacy of natural persons	Data Centres in Auckland
2 October 2025	SW25-293	Privacy of natural pers	Natural Gas
2 October 2025	SW25-294	Privacy of natural persons	Energy requirements for Amazon Web Services
2 October 2025	SW25-295	Privacy of natural persons	Solar installation
2 October 2025	SW25-296	Privacy of natural perso	Power increases
2 October 2025	SW25-299	Privacy of natural persons	Nuclear energy
9 October 2025	SW25-298	Privacy of natural persons	Power outages

5. Output plan

Confidential advice to Government

Confidential advice to Government

Confidential advice to Government

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