



## COVERSHEET

<b>Minister</b>	Hon Simeon Brown	<b>Portfolio</b>	Energy
<b>Title of Cabinet paper</b>	A strengthened electricity regulatory framework to ensure dry-year risk will not re-emerge in the future	<b>Date to be published</b>	15 June 2026

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2026	Energy Package Action 2.5: A Strengthened Electricity Regulatory Framework to Ensure Dry-year Risk will not Re-emerge in the Future	Office of the Minister for Energy
21 May 2026	Regulatory Impact Statement – A strengthened regulatory framework to ensure dry-year risk will not re-emerge in future	MBIE
27 May 2026	ECO-26-MIN-0087 Minute	Cabinet Office

### Information redacted

**YES**

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

Appendix 3 of the cabinet paper has been withheld for constitutional considerations and Appendix 4 of the cabinet paper has been withheld as being released via separate consultation process.



# Cabinet Economic Policy Committee

## Minute of Decision

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

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### Energy Package Action 2.5: A Strengthened Electricity Regulatory Framework to Ensure Dry-year Risk will not Re-emerge in the Future

Portfolio                      Energy

On 27 May 2026, the Cabinet Economic Policy Committee:

- 1        **noted** that in September 2025, the Cabinet Business Committee agreed in principle to establish a regulatory framework to ensure the market has durable incentives to deliver long-duration dispatchable capacity [CBC-25-MIN-0054];
- 2        **noted** that the Government’s announcement to progress procurement of an LNG import facility will help to address dry-year security of supply in the near term but an enduring framework is required to address dry-year risk over the longer term, particularly as existing thermal generation plant exits;
- 3        **noted** that the security of supply monitoring settings and risk management tools available to participants have not kept pace with recent changes in the sector, including the sharp decline in natural gas production;
- 4        **agreed** to amend the Electricity Industry Act 2010 to:
  - 4.1      give the Electricity Authority (EA) an explicit function relating to the effective management of dry-year risk;
  - 4.2      require the EA to report to the Minister for Energy (the Minister) annually on Security of Supply risks, an annual Security of Electricity Supply Report, for which it must seek modelling inputs and expertise from the System Operator (Transpower), and seek independent review by its Security and Reliability Committee;
  - 4.3      require the EA to undertake more regular reviews of foundational security of supply monitoring framework policies (reviewing the Security Standards at least every 5 years and the Security of Supply Forecasting and Information Policy every 3 years);
- 5        **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions in paragraph 4 above;
- 6        **noted** that the Minister has consulted the EA on amendments to the government policy statement issued in October 2024, attached as Appendix 3 under ECO-26-SUB-0087;
- 7        **authorised** the Minister to issue the amended government policy statement, subject to any minor amendments required;

- 8 **authorised** the Minister to release, for public consultation after approving any necessary revisions, the discussion document attached as Appendix 4 under ECO-26-SUB-0087 proposing a new reliability obligation to manage dry-year risk;
- 9 **noted** that the actions in paragraphs 4, 7 and 8 above will strengthen the regulatory framework that promotes reliable electricity supply through:
- 9.1 regular reviews and updates to the information and methodologies underpinning our security of supply monitoring framework;
  - 9.2 timely and actionable information provided to market participants, including regular publication by the system operator of a statement of electricity investment opportunities and publication by the Ministry of Business, Innovation and Employment of electricity demand and generation scenarios;
  - 9.3 disclosure by industry participants of timely information about changes to planned generation and demand that could materially affect supply security;
  - 9.4 annual reporting by the EA to the Minister on security of electricity supply;
  - 9.5 liquid trading of fit-for-purpose risk management products, supported by market-making services where necessary or desirable; and regulatory incentives on industry participants to proactively manage dry-year risks;
- 10 **noted** that the Minister intends to give effect to paragraph 4 above through the Electricity Industry Amendment Bill, Constitutional conventions
- 11 Constitutional conventions

Rachel Clarke  
Committee Secretary

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**Present:**

Hon David Seymour  
Rt Hon Winston Peters  
Hon Nicola Willis (Chair)  
Hon Chris Bishop  
Hon Shane Jones  
Hon Simeon Brown  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Tama Potaka  
Hon Simon Watts  
Hon Chris Penk  
Hon Penny Simmonds  
Hon Andrew Hoggard  
Hon Nicola Grigg  
Hon Mark Patterson  
Hon Scott Simpson  
Hon James Meager  
Hon Cameron Brewer  
Simon Court MP

**Officials present from:**

Office of Hon Simon Watts  
Office of Hon Cameron Brewer  
Ministry of Business, Innovation and Employment  
Officials Committee for ECO