



MAJOR ELECTRICITY USERS' GROUP

16 October 2007

Hon David Parker
Minister for Energy
By email to David.Parker@Parliament.govt.nz

Hon Trevor Mallard
Minister of State Owned Enterprises
By email to Trevor.Mallard@Parliament.govt.nz

Dear Ministers

Official Information Act request in relation to ban on new base load thermal generation

1. One of the more controversial as well as surprising decisions announced at the launch of the final New Zealand Energy Strategy on 11th October was that¹ “*the government does not believe it is in the interests of the country for the SOEs to build any more base-load thermal generation.*” As a consequence “*the government will be writing to the SOE generators to make it clear that it expects them to follow this guidance.*” In relation to that decision please provide copies of:
 - a) All correspondence from Ministers and the SOE generators and any replies from those companies on the decision by government that SOE generators should not build any more base-load thermal generators. The correspondence requested covers material before, after and including 11th October 2007; and
 - b) All advice from officials to Ministers on this proposal.
2. It is disappointing and frustrating that MEUG has to make this request. This material we suggest should have been made public as a matter of course because it is likely to lead to higher electricity prices and lower security of supply than would otherwise have been the case. Giving directions to SOEs is also a significant departure in policy. For example the minute of the Cabinet meeting held 17th September 2007 (CAB Min (07) 34/1A) refers (paragraph 29.1) to a submission considered by Cabinet and CBC on 10th September, “*Options to Limit New Thermal Capacity*” [CBC Min (07) 20/3]. That appears to be relevant to this issue but has not been published on the MED web site.
3. This request is made in terms of the Official Information Act 1987.
4. A copy of this request will be posted on the MEUG web site tomorrow.

Yours sincerely

Ralph Matthes
Executive Director

cc Chief Executive Officers of SOE generators and other large generators

¹ Hon David Parker, speech notes, *Energy strategy delivers sustainable energy system*, 11th October 2007