



MAJOR ELECTRICITY USERS' GROUP

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Notes for Panel discussion at NZ Wind Energy Association Conference

The main issue facing the wind industry in New Zealand

- A sound business case, ... ie can you make money when:
 - Unreliable cash flows and when the wind is blowing, spot prices likely to be low
 - All the low cost sites developed, ie best ridgelines close to transmission lines.
 - Capital cost of turbines very high because of global demand
 - Renewables preference in ETS Bill looks fragile ... and we might find lots of gas
- Other issues:
 - Peak energy security of supply ... this issue is exacerbated with the thermal ban
 - Not in my backyard issue ... although this is a more generic RMA design issue
 - Short term system security ... no obvious hurdles and welcome EC acting cautiously

The most important things you believe need to happen next

- Remove unrealistic expectations and get the policy on a more balanced footing, ie get real on the 90% renewables by 2025 "target." Titling the playing field in favour of renewables over a more efficient balance of new generation is costly and increases risks to short term security of supply (although can mitigate that risk, but at a cost)
- Remove the thermal ban from the Bill, but continue towards a market mechanism for GHG
- Accelerate deeper connection pricing for transmission
- A more fundamental review of all RMA processes

The contribution you believe wind energy could, should or will make

- Wind energy should contribute at the economically efficient level, no more and no less. Attempts to tilt the playing field in favour of wind energy are not welcome.

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