




What does the future hold?

- This winter
 - Definitely higher power prices
 - Possible supply shortages

Change in key indicators over last 2 weeks are not good:

Reducing risk		Increasing risk
Improved flows south		Inflows and lake levels ↓ Spot and forward prices ↑

Some other indicators worth watching:

- Reduced D (and economic activity) by spot exposed consumers
 - Whirinaki generation
 - Supplier initiatives and share prices
- Longer term:
 - Depends



What does the future hold longer term?

Depends on the following:

Finding and using NZ' s resources	Ban new thermal and reduce new gas finds	Use all resources where “economically efficient”
Technology	Government picks winners	Market rewards innovation
Market & regulatory design	More intrusive to achieve political goals	Best practice Limited role for Ministers
Government policies	Climate change driven	GDP growth driven



More of the same: Rising power prices and inefficient investment. And lots of lobbying.	Better outcome: Competitive prices and consumer led service. GDP higher.
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Some ideas for manufacturers/households to consider

- Transparency of key components on power bills
- Improving pricing signals to all consumers
- Consumers up-skilling to seek competitive offers from suppliers
- Opposing the bill proposing a ban on new thermal
- Making Ministers accountable for supporting policy proposals with robust cost-benefit-analysis ... and in the long term finding ways to remove the opportunity for political interference
- Supporting ongoing incremental changes to the market but also asking Government for a comprehensive review including the role of the Electricity Commission and other governance arrangements
- Last but not least, awareness of the increasing risk to supply, corresponding impact on power prices and impact on businesses and GDP and hence need for prudent savings now