



# MAJOR ELECTRICITY USERS' GROUP

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Media release by the Major Electricity Users' Group (MEUG)

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## **Medium sized commercial and industrial power users' can reduce costs by becoming direct market participants – MEUG launches guide**

“Medium and large sized commercial and industrial power users' can reduce electricity costs, in some cases saving \$10,000's per year, by becoming direct wholesale market participants” said Ralph Matthes, Executive Director of the Major Electricity Users' Group, when announcing the publication of a guide to become a direct market participant.

“Improvements in the rules (the Code) and transparency of the wholesale market, better techniques to manage demand response to peak spot prices, competition and innovation in hedge products have lowered the costs for large power consumers to consider the benefits of being a direct market participant instead of relying on retailers and agents to intermediate.

“The guide will assist businesses take the first step of assessing if further investigation is warranted. MEUG emphasizes that the guide is not comprehensive and recommends expert assistance is used to develop company specific proposals to become a direct market participant.

“Each of the power users will have different needs and risk strategies and will need to do due diligence. For some the maths will work and for others it won't. The guide is intended to help demystify the complexity and separate critical issues from other mandatory requirements that, while involved, are not difficult to complete with the right advice.

“The Code, technology and risk management products are continuously evolving. MEUG intends to revise this guide taking into account feedback from interested end consumers and as significant changes occur in the market. Over time we expect the demand threshold at which it is economic for consumers to become direct market participants will decrease and this will in turn put more competitive pressure on retailers to innovate to avoid losing market share” concluded Mr Matthes.

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A copy of the guide is available at <http://www.meug.co.nz/Site/Publications.aspx>

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