

**The energy trilemma becomes the quadlemma**

As work continues on developing the Government's energy strategy, MBIE has moved from the energy trilemma we are all familiar with to the quadlemma – adding building a productive, inclusive economy<sup>1</sup> to the traditional three legs of affordable, reliable and secure, and sustainable energy.<sup>2</sup>

It's hard to avoid the observation that if electricity was affordable and reliable, we wouldn't need to add a requirement that the system supports a productive economy. In that context, the evolution of the trilemma into the quadlemma is a reflection of the challenges in the sector over the last 5 years, where electricity has been anything but affordable, and the challenges the sector will face over the next 10+ years. Within the "productive, inclusive economy" MBIE includes issues such as the risk of emissions leakage and the need to keep highly productive manufacturing and the jobs it creates in the New Zealand economy.

The quadlemma is also a useful reminder of why our electricity networks and systems exist. For residential consumers, it helps provide the essentials of shelter, food and health. For industrial consumers, it enables the manufacture of value-added products, the revenue from which supports our regional communities, employs hundreds or thousands of kiwis in well-paying jobs, and helps pay for the services we all take for granted like education and healthcare.

From the MEUG perspective, when the electricity system does not support industrial manufacturing, then there is something out of balance with the system. Pricing has been a focus over the last 5 years and the futures market suggests that this will continue to be the case – or get worse. When policy makers or regulators suggest the system needs manufacturers to make less product in order to ensure reliable supply, then something is wrong.

But it is good to see Government and policy makers explicitly return to a focus on end outcomes. The quadlemma should help provide guidance and a useful lens through which we all collectively look at the challenges ahead, as we continue the transition to a more renewable future.

**Looking forward to the MEUG Annual General Meeting**

MEUG is holding its AGM later in June and we are very much looking forward to once again hosting the Minister of Energy and Resources, Hon Dr Megan Woods. It is always a good discussion at the AGM on the strategic direction for MEUG and how we position ourselves, with direct input from the leadership teams of MEUG's members.

<sup>1</sup> Page 2, [Terms of reference: New Zealand Energy Strategy \(mbie.govt.nz\)](https://www.mbie.govt.nz/energy-strategy)

<sup>2</sup> For background on the energy trilemma, details are available on the Business Energy Council website: <https://bec.org.nz/tools/trilemma/>

## Key dates

What's on	Who	When	Notes for members
<b>Policy update:</b> Supply forecasting and information policy (SOSFIP)	Transpower	1 June	The <a href="#">replacement</a> SOSFIP has been approved and comes into effect from 1 June 2023
<b>Submission:</b> Strengthening national direction on renewable electricity generation and electricity transmission	MBIE	1 June	MBIE has released a <a href="#">consultation paper</a> that looks at options to address concerns around the consenting processes for the renewable generation. MEUG will make a short submission in support of improvements that will enable NZ to transition towards a more renewable electricity system.
<b>Presentation:</b> Security and Reliability Council (SRC)	MEUG	1 June	MEUG Chair and Executive Director presenting to the SRC. Providing an overview of the role of MEUG, and how key concerns / comments around electricity security.
<b>Presentation:</b> Engineering, Infrastructure and Extractive (EIE) Industry Council	MEUG	2 June	MEUG Chair presenting to the EIE Industry Council of E Tu. Providing an overview of MEUG and what is needed to support NZ's energy transition.
<b>Submission:</b> Electricity Demand and Generation Scenarios (EDGS) 2023	MBIE	6 June	MBIE <a href="#">consultation paper</a> on the draft assumptions used to update the EDGS for 2023. MEUG preparing a submission, commenting primarily on demand forecast and industry assumptions.
<b>Event:</b> <a href="#">Leading through the energy transition</a>	Mana Wāhine / Electricity Authority	7 June	Panel discussion on vision for the future, leadership, and career challenges and highlights as women in the energy sector.
<b>Event:</b> NZ <a href="#">Energy Quarterly</a>	MBIE	8 June	Next update of data and analysis on energy supply, demand, prices and associated GHG emissions.
<b>Submission:</b> Proposed benefit-based investment (BBI) starting customer allocations	Transpower	8 June	Transpower is consulting on the proposed BBI starting customer allocations for two of three components of their <a href="#">Net Zero Grid Pathways (NZGP)</a> phase one project. Cross subs due 22 June.
<b>Event:</b> Second ERP auction	Ministry for the Environment	14 June	Next auction scheduled for 9 – 12pm on 14 June.
<b>Submission:</b> Annual updates to the New Zealand NZ ETS unit settings	Ministry for the Environment	16 June	MfE are <a href="#">consulting</a> on the annual updates to the New Zealand Emissions Trading Scheme (NZ ETS) unit settings for the period 2024–28.
<b>Submission:</b> Second Emissions Reduction Plan (ERP2)	Climate Change Commission	20 June	CCC are seeking feedback on its <a href="#">draft advice</a> to Government on the second emissions reduction plan (ERP2). MEUG preparing a submission focused on energy related advice and overall ETS settings.
<b>Event:</b> EA breakfast update with Chair and CE	Electricity Authority	20 June	Auckland event to celebrate the implementation of real-time pricing and hear update from Authority's Board and leadership team.
<b>Monthly meeting:</b> MEUG AGM	MEUG	21 June	Hon Dr Megan Woods will be guest speaker. Member panel discussion to be held in afternoon to discuss how to decarbonize without de-industrializing.
<b>Submission:</b> EDB DPP4 Process Paper	Commerce Commission	23 June	Commission are consulting on <a href="#">proposed process</a> for resetting the Default Price-quality Paths (DPP) for electricity distribution businesses from 1 April 2025.
<b>Event:</b> Energy sector celebration –	Freeman media	28 June	Event to celebrate the longest serving Energy Minister and 15 years of energy news.
<b>Submission:</b> Changes to the Benchmark agreement for SRAM funding / reflect the new TPM	Electricity Authority	30 June	Feedback sought on <a href="#">proposed Code changes</a> to the Benchmark agreement which will enable Transpower to recover costs for calculating payments for settlement residue.
<b>Deadline:</b> Quarterly stress test disclosures due	Electricity Authority	30 June	<a href="#">Requirement</a> for participants in hedge market to submit their annual hedge disclosure declaration certificate. Applies to those consumers who are grid connected or buy from the Clearing Manager.