

17 December 2019



## **Major electricity users' aim to fast-track renewable energy**

Several of New Zealand's largest electricity users are backing a business case to accelerate the uptake of renewable energy through a project facilitated by the Major Electricity Users' Group (MEUG).

Major electricity users are investigating the next feasibility stage of offering independent power purchasing agreements for renewable electricity, to bring forward renewable generation and reduce carbon emissions.

"Many New Zealand business are energy-intensive, trade-exposed businesses – and also vital parts of New Zealand's economy. These major electricity users are showing leadership and making a commitment to purchase renewable energy to supply their businesses and reduce carbon emissions," says MEUG chair, John Harbord.

The project has the potential to reduce CO2 emissions within New Zealand by up to 500,000 tonnes per annum by stimulating new renewable generation.

The current investigation stage is expected to be complete by 31 March 2020, with the participating major electricity users then looking to go to market if the business case remains robust.

"We were encouraged by the initial business case to commit to the next phase. We are pleased to be progressing the case for the development of new renewable electricity in New Zealand with the backing of some of our largest businesses," says Mr Harbord.

The concept of industrial companies providing a stable bankable commercial platform to sponsor new renewable generation is increasingly common in Australia and overseas.

The next phase will consist of designing the commercial product structures, and the transactional and process documentation the participating major electricity users may wish to offer to market. This includes talking to a range of existing and potential new entrant generators to ensure the commercial structure and product are fit for purpose and an attractive proposition.

"The project is part of the commitment of major electricity users to find meaningful and practical solutions to our carbon reduction challenge and bring these initiatives forward. It also looks to encourage new entrants into the renewable generation market, underpinned by the support of significant electricity users," says Mr Harbord.

The major electricity users involved in this project are Ballance Agri-nutrients, Fonterra, New Zealand Steel, Oji Fibre Solutions, Pan Pac Forest Products, and Refining New Zealand.

ENDS.

### **For further information, please contact:**

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