

Firstly, I'd like to apologise for not publishing the MEUG chair update last month. Unfortunately, it was my turn to have Covid, which laid me low for a couple weeks. But it's back to usual service this month, with no lingering symptoms or effects.

Real time pricing is a reality

1 November marked the introduction of real time pricing in the wholesale market. This represents arguably the biggest change in the market since it started in October 1996 and is the culmination of years of work by the Electricity Authority, the System Operator, and NZX.

For the first time, consumers who buy from the spot market will be able to make real time consumption decisions based on prices they will actually pay. From April next year, enhancements to dispatchable demand will allow large industrial consumers to bid in demand management in a way that better suits the physical constraints of their plant and processes. This will enable:

- better management of spot price volatility, and
- an alternative to financial hedges to manage spot price exposure
- better outcomes for large industrial participants bidding dispatchable demand and/or offering interruptible load to the instantaneous reserves.

MEUG would like to thank all those at the EA, the System Operator, and NZX, both past and present, who have helped make real time pricing a reality.

Fonterra and Polyjoule trial a world first in sustainable electricity storage

In September, Fonterra announced a partnership with Polyjoule to trial an industrial scale organic battery at the Waitoa Ultra-High Temperature (UHT) product processing site.

Polyjoule is a spin-off of the Massachusetts Institute of Technology (MIT). A Polyjoule battery such as that being trialed has an exceptional discharge rate, uses an organic-based compound rather than metals, is low-cost, safe and has a long-life. The trial at Waitoa follows an initial successful trial at a Fonterra farm at Te Rapa.

For more information see: <https://www.fonterra.com/nz/en/our-stories/media/fonterra-trials-world-first-in-sustainable-electricity-storage.html>

MEUG welcomes Whakatane Mill Limited as a new member

MEUG is delighted to welcome our newest member, Whakatane Mill Limited (WML). WML are Australasia's only manufacturer of coated paperboard grades for the packaging market. Paperboard production at Whakatane Mill in 1939 and today WML produces 150,000 tonnes annually. WML will be represented at MEUG by CFO Mickael Gohier.

All paperboard is produced to the highest quality from virgin fibres for the greatest product safety and optimal performance. For more information about WML, see their website at:

<https://www.wml.biz/>

Key dates

What's on	Who	When	Notes for members
Submission: Draft Regulatory Control Period 4 (RCP4, 2025-2030) proposal for around \$4 billion (over 5-years). Excludes major capex proposals (>\$20m) that are each subject to a separate approval process	Transpower	3 November	Intensive and helpful engagement by Transpower earlier this year and during this consultation. Transpower will consider submissions, engage with an Independent Verifier (appointed by Transpower and the Commerce Commission) and lodge final proposal with the Commission in December 2023. Commission consultation rounds in 2024 before final decision.
Cross-submission: Proposal to remove Avoided Cost of Transmission (ACOT) from the Code from 1 April 2023	Electricity Authority	3 November	20-parties made submissions including MEUG. No change to MEUG support of EA proposal in submission phase.
Submission: Proposed increases to levy funded budget	Electricity Authority	4 November	Proposed increases apply to the current financial year ending June 2023 and the next two years. MEUG has concerns with the proposed cumulative increase exceeding 10% over 2-years (total increase of around \$11m pa).
Monthly meeting: MEUG Executive Committee	MEUG	23 November (provisional)	Finalising agenda and timing.