

A busy end to the year

We're now into October and the year-end is drawing closer – but the run in to the end of the year will be very busy with multiple key consultations and submissions needing to be done.

The Electricity Authority will be releasing its wholesale market review and issues paper on the 27th of this month, which will be of great interest to many within the wider sector. While we had originally expected to see this in mid-September, it is important that the Authority gets its review and issues paper right. At the same time, that's little consolation for those suffering from poor market outcomes with another six-weeks of pain in the meantime.

We also have the Transmission Pricing proposal coming out for consultation mid-October. There will be intense focus on what Transpower and the Authority have come up with, including on potential impacts in different parts of the country.

The old axiom is good things come in threes, and we have government consultation on draft emissions reduction plans out soon, with submissions due in mid-November. Indications are that government is looking to step up its level of ambition which could bring into focus the idea of a just transition and the ability of some to make rapid, immediate emissions reductions.

The renewable electricity generation project becomes a reality

We're delighted to see the recent announcement that Oji Fibre Solutions and Pan Pac Forest Products have entered into 10-year deals with Contact Energy to purchase renewable electricity.

The renewable electricity generation project is part of the commitment of major electricity users to find meaningful and practical solutions to our carbon reduction challenge.

The recently announced deals are about large energy users stepping up to provide leadership in emissions reductions, with the goal of delivering real reductions in carbon emissions over the next decade and at the same time realising a commercial win-win for purchasers and sellers of long-term renewable electricity contracts.

MEUG's role was to bring participating companies together and help advance the project through to where commercial negotiations with potential suppliers could begin. We have not been involved in the commercial negotiations.

We would like to acknowledge the role of project manager David Thomas throughout the last two years in bringing these deals to fruition.

Key dates

What's on	Who	When	Notes for members
Consultation starts: Draft Emissions Reductions Plans	Government	Early October	Submissions due mid-November.
Submission: draft Security of Supply Annual Assessment	System Operator	5 October	The good news: "For all our scenarios, existing and committed generation should be able to maintain New Zealand winter energy margins above the security standard through to 2030." But exiting thermal generation too quickly gives rise to peak supply risks: "In contrast, new supply projects will need to be built in the latter half of this decade for all scenarios to ensure North Island winter capacity margins are maintained above the security standard."
Consultation starts: Transmission Pricing Methodology (TPM)	Electricity Authority (EA)	8 October	Transpower lodged a TPM proposal with the EA on 30 June. The EA then referred some aspects back for Transpower to reconsider. A revised TPM package will be consulted on over the balance of this year.
Publication: MBIE Investigation into electricity supply interruptions of 9 August 2021	Ministry of Business Innovation and Employment (MBIE)	Before end of October	Investigation led by Hon Pete Hodgson. In addition, there are several EA investigations (e.g., Undesirable Trading Situation and code breach claims, and review of how the System Operator and participants managed the event.
MEUG monthly meeting	MEUG	27 October	Guests to be finalised.
Publication: Review of competition in the wholesale market	EA	27 October	EA will publish the review and an issues paper and seek feedback.