

18 September 2024

Sarah Gillies
Chief Executive
Electricity Authority
PO Box 10041
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Sent via email: info@ea.govt.nz

Dear Sarah

Improving visibility of generation investment

1. This is a brief submission from the Major Electricity Users' Group (MEUG) on the Electricity Authority's (Authority) consultation paper "*Improving visibility of generation investment: clause 2.16 information notices*"¹ published on 21 August 2024.
2. MEUG members have been consulted on the approach to this submission. This submission does not contain any confidential information and can be published on Authority's website unaltered. Members may lodge separate submissions.

Important to understand firming ability of generation investment

3. Understanding and monitoring the level of generation investment into the electricity system is one of the necessary tasks undertaken by the Electricity Authority, to ensure that all New Zealanders can access affordable, reliable and increasingly renewable electricity for their homes and businesses. We consider that the two information notices proposed by the Authority should improve the gathering of this information, by enabling more frequent updates, consolidating and standardising information, reducing compliance costs for participants, and reducing the Authority's costs for detailed annual interviews.
4. Given the recent stresses in the electricity system and risk position expected for 2025,² we encourage the Authority to focus on:
 - a. The **level of firming capacity in the system and in the investment pipeline**. It will be important to carefully manage the energy transition, as we increase the level of renewable intermittent generation (solar / wind), while also reducing the role of thermal generation in the electricity system. Intermittent generation is not always available to meet demand when New Zealand faces calm, dry and grey conditions – as experienced in recent months.

¹ https://www.ea.govt.nz/documents/5451/Improving_visibility_of_generation_investment_-_Consultation.pdf

² See Transpower's comments on its Electricity Risk Curves and the need for continued focus on fuel storage and availability ahead of 2025 here: <https://www.transpower.co.nz/system-operator/notices-and-reporting/weekly-reporting/electricity-risk-curves>

Therefore, access to firming generation is and will continue to be essential for the electricity system (be it thermal in the short to medium-term or renewable over the long-term). We welcome the Authority gathering the capacity factor on new generation but encourage the Authority to look at how it can provide insight on the level of firming capacity already in and forecast to enter the investment pipeline. This information is key to ensuring an ongoing secure supply.

- b. **Progression of projects through the investment pipeline:** Given the Government's focus on making it easier and cheaper to consent, build and maintain renewable electricity generation,³ it is important that the Authority monitor how quickly new generation is coming to market. More frequent updates of the project planning milestones will enable identification of any issues such as land banking / sitting on consents.

Next steps

5. If you have any questions regarding our submission, please contact MEUG on [redacted] or via email at [redacted].

Yours sincerely



Karen Boyes
Major Electricity Users' Group

³ <https://www.beehive.govt.nz/release/next-steps-electrifying-new-zealand>