

17 September 2021

Neal Barclay
Chief Executive
Meridian Energy Ltd

By email: S9(2)(a)

Dear Neal

Review of competition in the wholesale market

I refer to your letter dated 7 September 2021 and to the email of the same date from Sam Fleming to Doug Watt.

We will be responding separately to Meridian's OIA request made on 2 September 2021 and added to on 7 September 2021.

In respect to Meridian's request to meet with the Authority (contained in Sam Fleming's email to Doug Watt of 7 September 2021) to discuss the reduced thermal commitment and the impact that has had on hydro offers in the context of the Authority's review of competition in the wholesale market (the Review), that meeting request is declined. As previously advised in our letter dated 30 August 2021, we are currently considering how best to seek industry input regarding the Review and will advise industry participants, including Meridian, once a decision has been made on that. As part of the input process, Meridian will have the same opportunity as all other stakeholders, to provide the Authority with its views and/or information on matters relevant to the Review and on which the Authority seeks input.

Turning next to your letter, we note your concern that the Authority referred to MEUG's Economic Profit Analysis of Meridian Energy's last 20 financial years, in the Market Brief of 31 August 2021. We consider your concerns unfounded, and we do not consider that we need to justify our reference in the Market Brief to the MEUG analysis. We do note however, that we have not referred to or relied on the MEUG analysis to any extent as part of the Review.

In relation to your concern regarding reference to the Tiwai contract in the same Market Brief, we note that the inclusion of the Tiwai Contracts in the review process, is not new and was in fact referred to in the Authority's proactively released briefing to the Minister of Energy and Resources, the Hon Dr Megan Woods, dated 14 June 2021. As stated above, should the Authority seek input on its Review including in relation to the Tiwai contracts, Meridian will have the same opportunity as all other stakeholders to engage in that process.

Yours sincerely



James Stevenson-Wallace
Chief Executive