



**Major Electricity  
Users' Group**



# Security & Reliability Council

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1 JUNE 2023

# Who is MEUG?



MEUG was established in the early 1990s to advocate for, and support, a well-functioning electricity market.

Our 14 members:

- Use approx. 28% of all New Zealand's electricity
- Pay almost \$1B per annum in electricity charges
- Generate over \$30B in revenue per annum
- Directly employ over 25,000 people



# MEUG's role



## As an industry organisation, we provide:

- Advocacy with government
- A New Zealand Inc perspective
- One of only a few customer voices into the energy sector policy debate
- Coordination with sector participants and associations
- Information sharing, environment scanning and identifying opportunities for improvement



# MEUG's priorities



## Twelve strategic priorities for 2023/24

Monopolies	Security	Markets	Reputation	Governance
Monopoly pricing	Security of Supply	Spot/ hedges markets	Consumer focus	Value to members
Regulation of Transpower		Demand side participation	Proactive stakeholder relationships	Maintain MEUG membership base
Regulation of EDBs		GHG policy		
Unexpected events				



# Top 3 risks and concerns

**We require electricity as an essential input to make value-add products**

1. Balancing of electricity system as we transition to a low-emissions economy
  - a) Greater intermittent resources, reduced role for thermal
  - b) Balancing supply and demand
  - c) Resilience of system
2. Political uncertainty and level of intervention
3. Energy sovereignty



# Value of the electricity system

**Confident that there will be supply of electricity but at what cost?**

- Concern with high spot / hedge market prices
- Price appears to include a “risk premium”
- Increase in price impacting our members

**Huge investment needed to decarbonise system**

- Allocation across time and customer groups
- Conveying the benefits for customers



# Industry wins and barriers

## Wins

- Improved Commerce Commission outcomes by providing a consumer perspective / evidence
- Better communication across energy sector
- More from trilemma to a quad-lemma

## Barriers

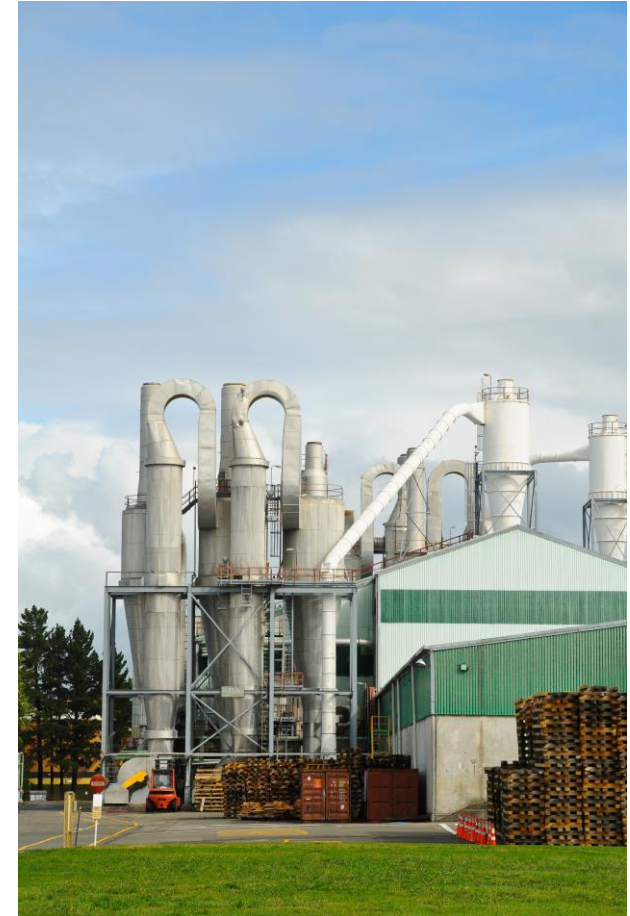
- HVDC not being utilised to its full potential
- Move to greater renewable energy impacting on reliability and security





# Advice to Authority Board

- Ensure the Authority is appropriately positioned to deal with the challenges / opportunities we are facing in the energy sector.
- Take a broader consumer perspective
- An essential commodity that supports our economy and wellbeing
- Work to ensure the short-term pricing signals flow through to the medium /long-term pricing signals to the market.







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# Thank you

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[www.meug.co.nz](http://www.meug.co.nz)