Market Operations Weekly Report - Week Ended 25 January 2026

Overview

New Zealand hydro storage continues to sit above the 90th percentile, just below the nominal full level at 122% of the historic mean last week. This is contributing to consistent high levels of renewable generation to the mix.

This week's insight looks at the outages causing inter-island price separation over the last few months.

Security of Supply

Energy

National hydro storage decreased slightly from 127% to 122% of the historic mean. South Island hydro storage decreased from 125% to 119% of the historic mean, and North Island storage increased from 149% to 154%.

Capacity

Residuals were healthy with over 1000 MW of residual over all peaks except one last week. The lowest residual of 645 MW occurred during the morning peak on Thursday 22 January due to a drop in wind generation.

The N-1-G margins in the NZGB forecast are healthy through to mid-March. Within seven days we monitor these more closely through the market schedules. The latest NZGB report is available on the NZGB website.

Electricity Market Commentary

Weekly Demand

Total demand last week decreased to 712 GWh from 724 GWh the week before and was lower than that observed at this time of year since 2023. The highest demand peak of 5,164 MW occurred at 5:30 pm on Wednesday 21 January.

Weekly Prices

The average wholesale electricity spot price at Ōtāhuhu last week was $3/MWh, decreasing from $11/MWh the week prior. Wholesale prices peaked at $188/MWh at Ōtāhuhu at 9:30 am on Wednesday 21 January. There were periods of price separation between the North and South islands on 20 and 21 January when HVDC northward flow reached its maximum capacity.

Generation Mix

Total renewable contribution to the mix was 98% last week, the 16th consecutive week above 96%. This consisted of hydro generation which remained just above its average at 58% of the generation mix and wind generation above its average contribution level at 13%. Solar generation was 1% of the mix and the geothermal share was 25% of the mix, above its average contribution of 23%. Thermal generation was at 1% of the mix.

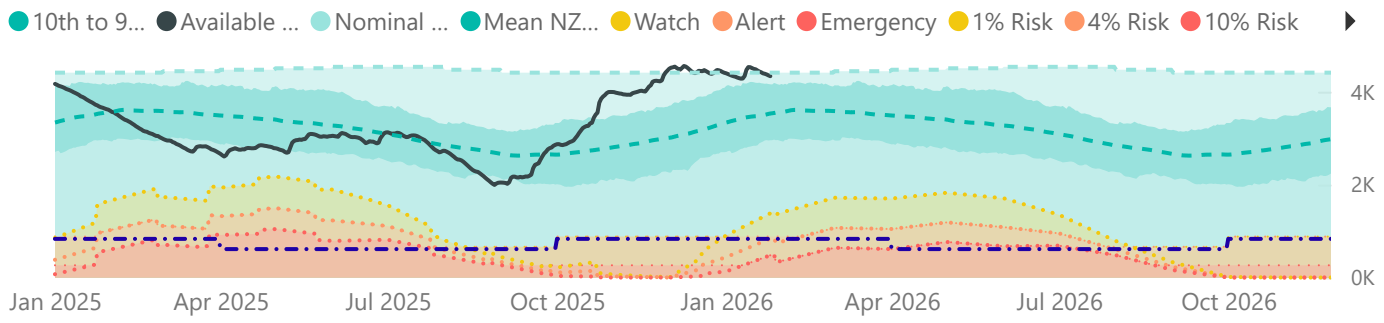
HVDC

HVDC flow was predominantly northward last week with high hydro generation, and higher demand in the North Island. In total, 51 GWh was transferred north and less than 2 GWh sent south during some overnight periods with high wind generation.

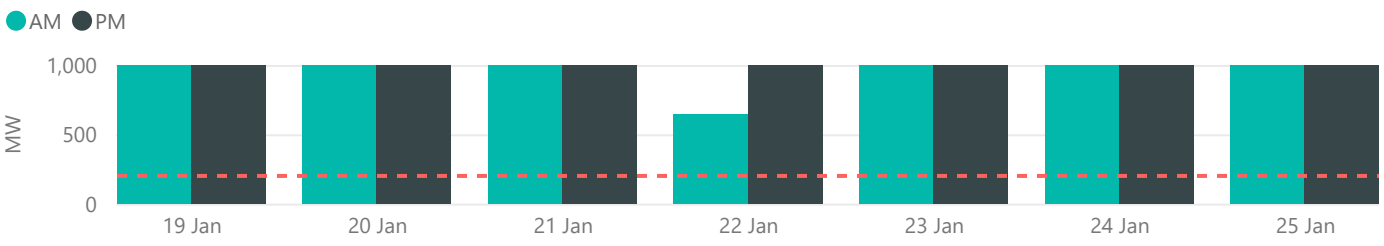
New Zealand Energy Risk

South Island Energy Risk

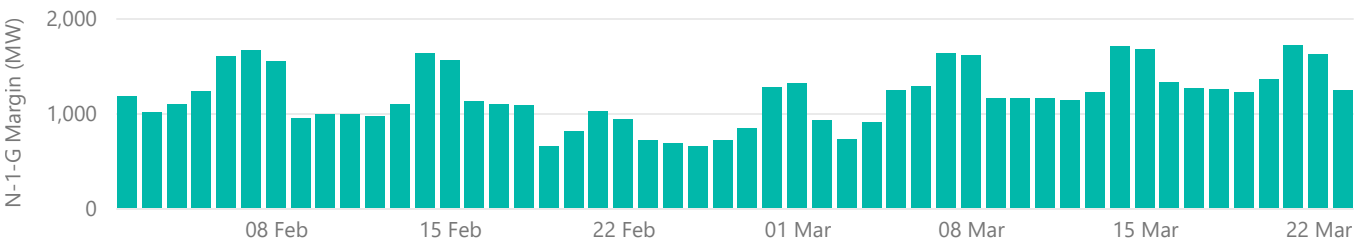
New Zealand Electricity Risk Status Curves (Available GWh)



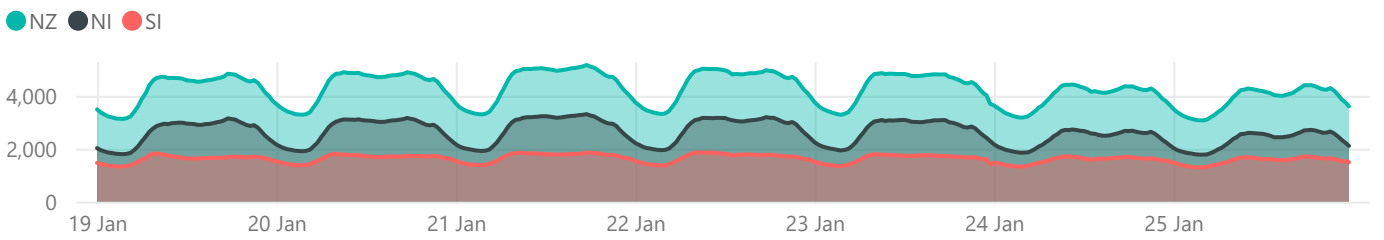
Lowest Residual Points - MW



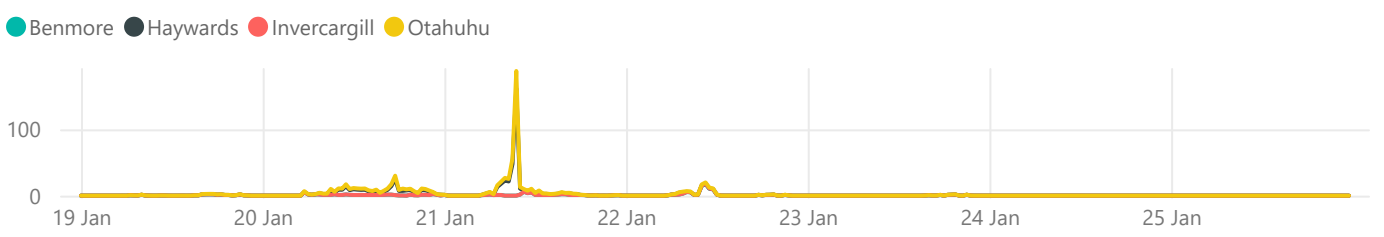
NZGB Look-Ahead (excluding next 7 days)



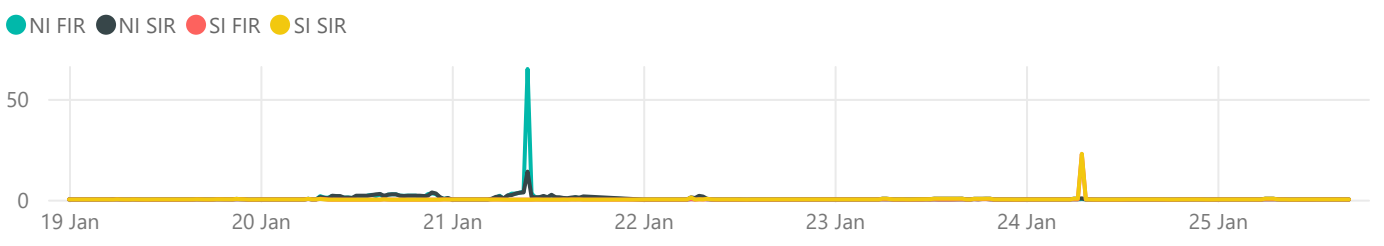
National Demand by Trading period - MW



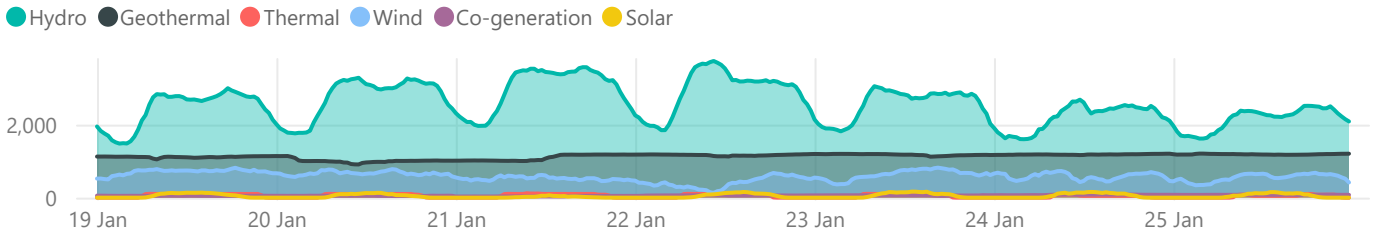
Energy Prices - $/MWh



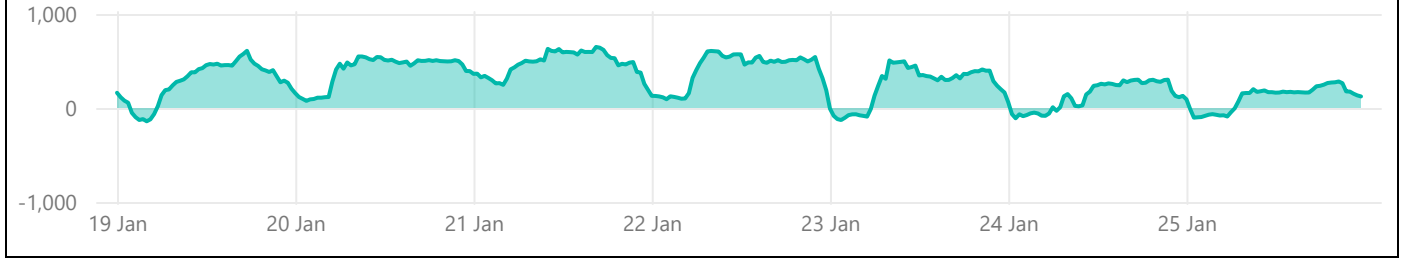
Reserve Prices - $/MW



Generation - MW



Net HVDC Transfer - MW (Northward positive)

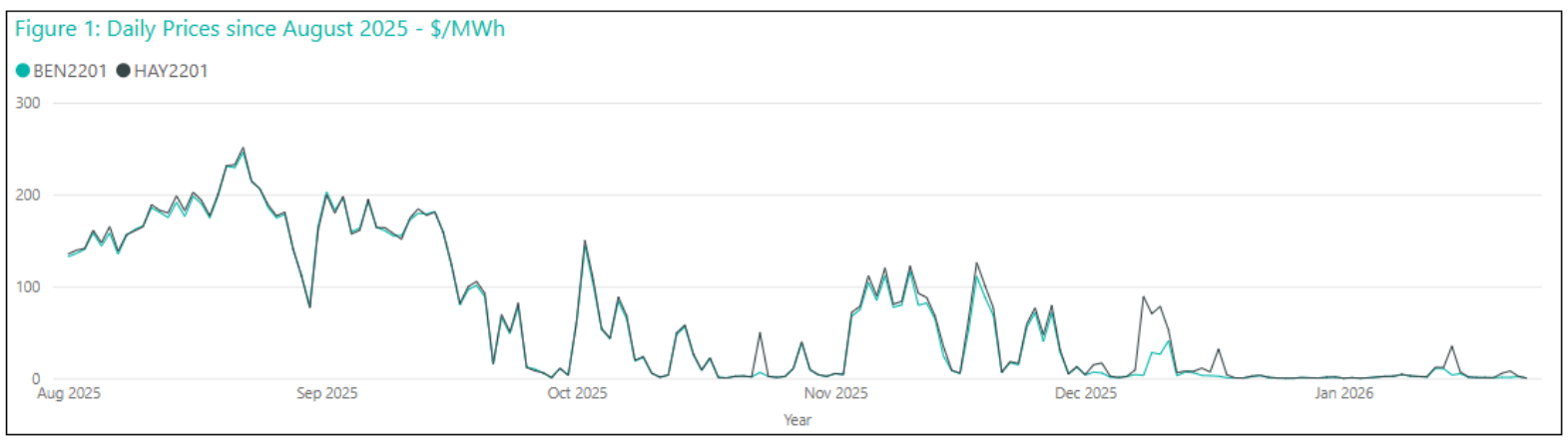


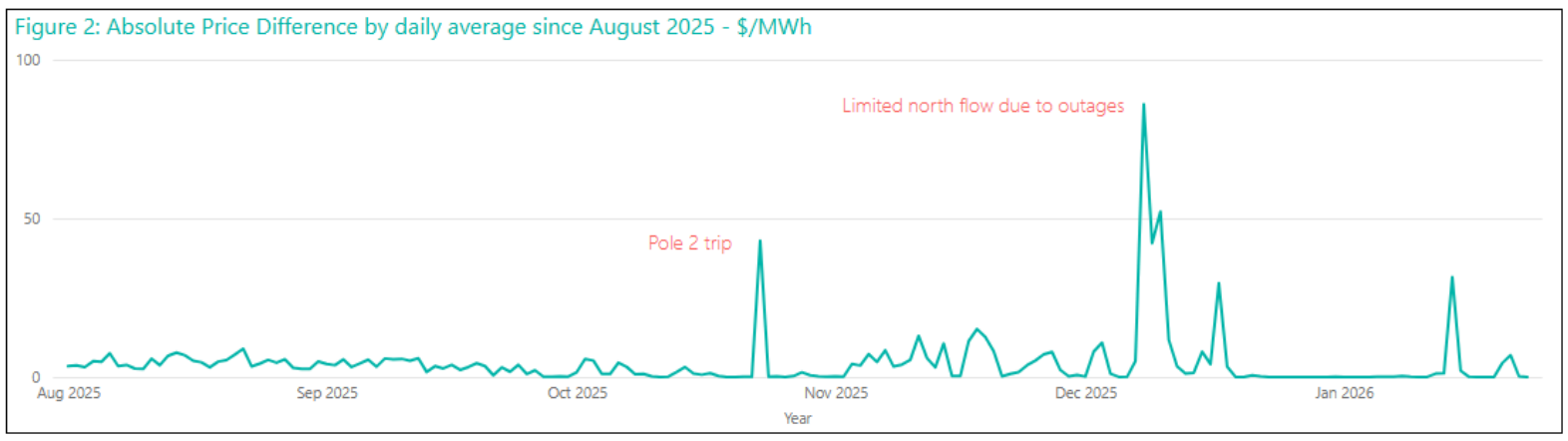
Weekly Insight - Outages causing inter-island price separation

This week's insight looks at the ongoing HVDC outages over the last few months and how they have affected electricity prices between the North and South Islands.

Over the past six months and ongoing, HVDC transmission limits have been reduced due to synchronous condenser outages and transmission outages in the lower North Island. Due to these planned outages, electricity transmission between the islands has been restricted, causing price separation in several instances over the last few months.

Figure 1 shows the daily average prices for Haywards and Benmore from August 2025, while Figure 2 shows the absolute differences in daily average prices for Haywards and Benmore, with the scale of the price difference shown.



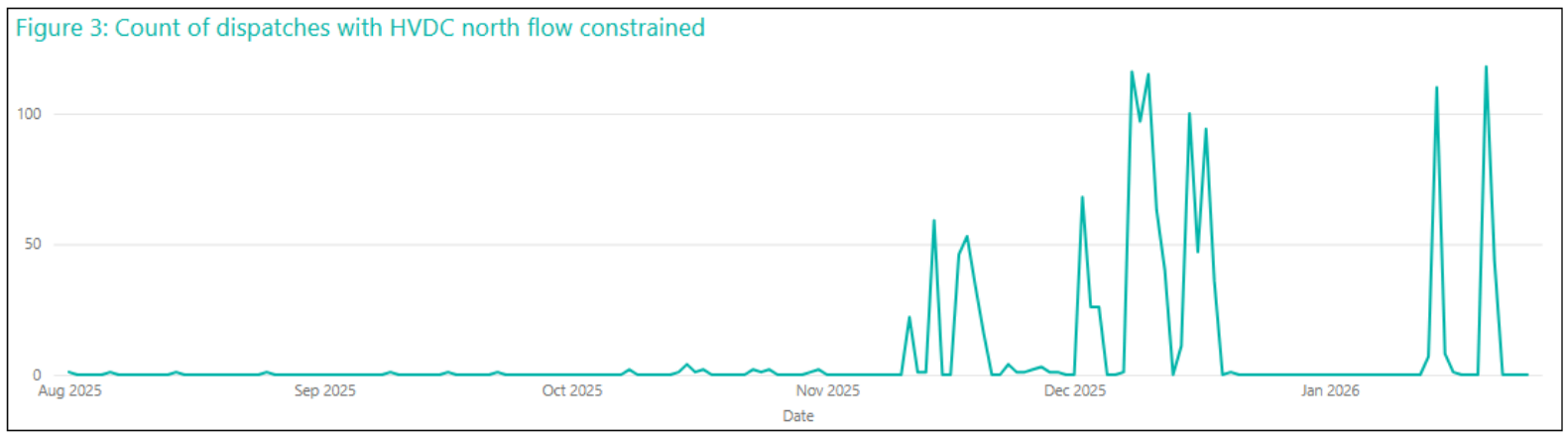


The most significant separation between the North and South Islands occurred at 9:30am on 23 October, with a price difference of $763 /MWh. This peak occurred due to a tripping of Pole 2 during the extreme weather that day, and not due to the ongoing outages.

In Figure 3, we explore when the HVDC was operating with its northward flow constrained. HVDC reached its maximum limit frequently from early to mid-December, leading to price separation, as shown in Figure 2.

Outages of the following assets occurred during this period (although were not all on outage concurrently):

Assets on Outage	HVDC limit reduction	Start Date	Finish Date
Haywards Synchronous Condenser 9 Transformer 9	-100	3/06/2025 1:50:00 p.m.	31/03/2026 6:00:00 p.m.
Haywards Synchronous Condenser 3 and Synchronous Condenser 4	-200	1/08/2025 6:30:00 a.m.	31/07/2026 6:00:00 p.m.
Haywards Transformer 5	-100	2/12/2025 7:00:00 a.m.	7/12/2025 6:30:00 p.m.
Haywards-Wilton-Linton 2	-150	8/12/2025 6:30:00 a.m.	14/12/2025 6:30:00 p.m.
Bunnythorpe-Tokaanu 1	-150	15/12/2025 7:30:00 a.m.	19/12/2025 6:30:00 p.m.
Haywards-Wilton-Linton 1	-150	17/12/2025 8:30:00 a.m.	17/12/2025 5:00:00 p.m.



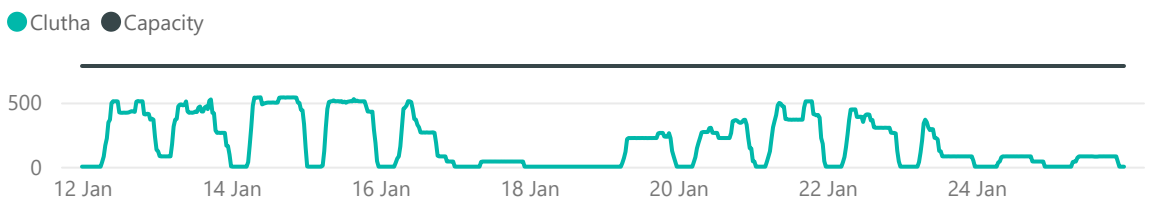
HVDC northward flow is favoured under current market conditions due to the high level of hydro storage in the South Island. Hydro levels have been sitting above the 90th percentile since October 2025 and at or near full since late November, with spill from some South Island catchments occurring since December.

These periods of inter-island price separation highlight the importance of the HVDC to our system in being able to access the lowest cost of generation.

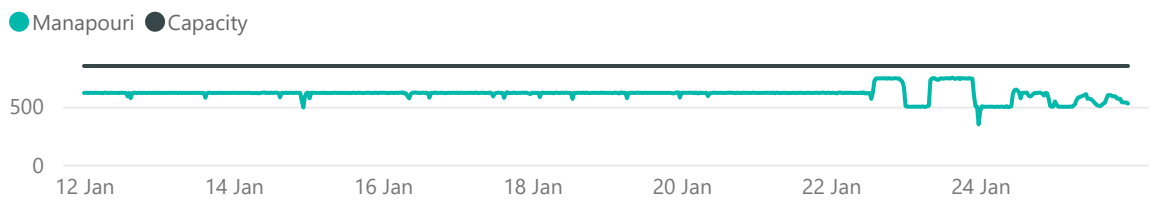
Generation Breakdown - Last Two Weeks

Measured in MW and displayed at trading period level for last 14 days

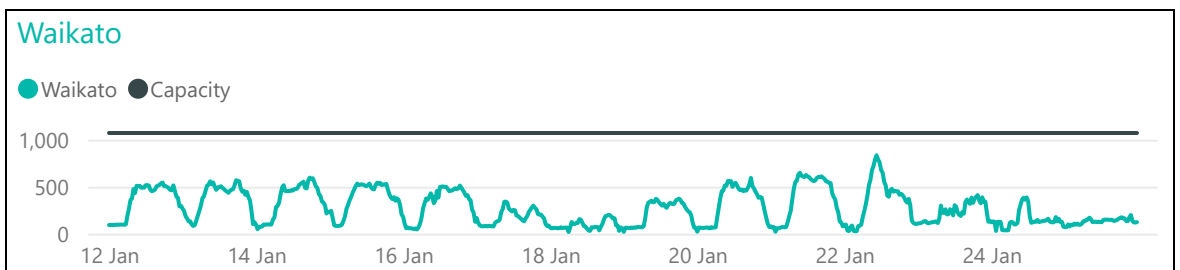
Clutha



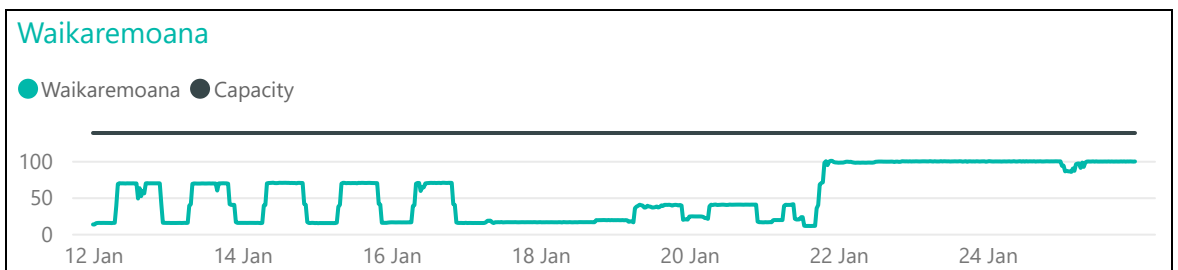
Manapouri



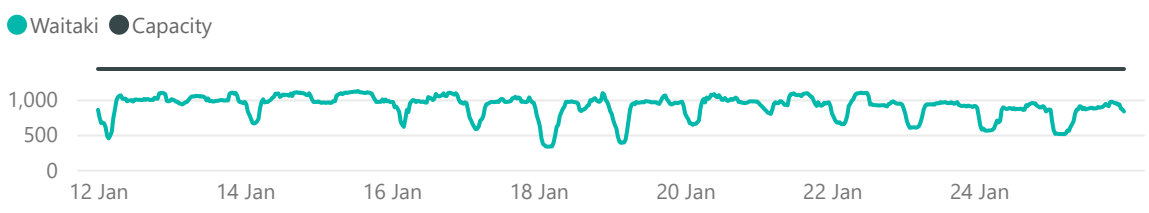
Waikato



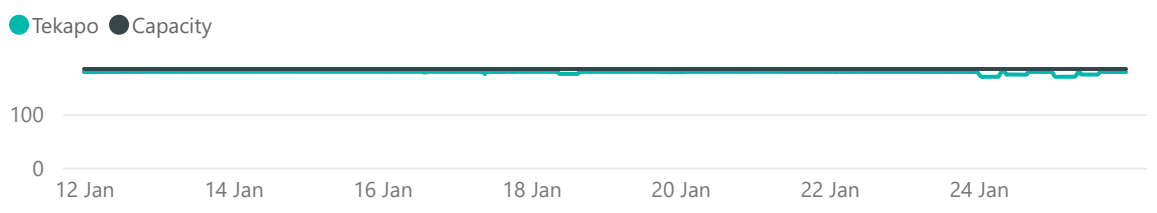
Waikaremoana



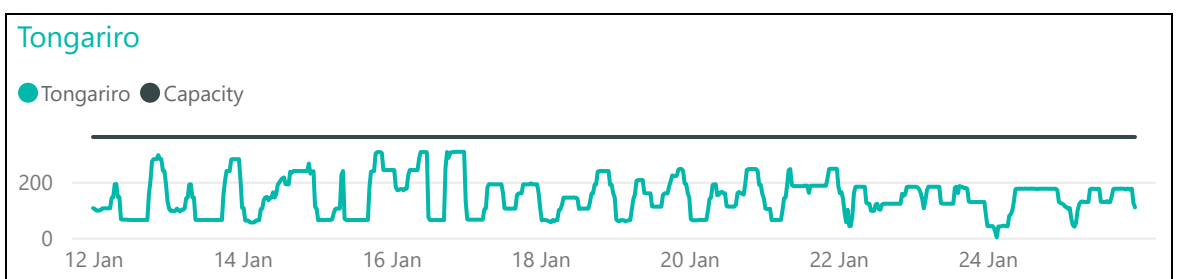
Waitaki



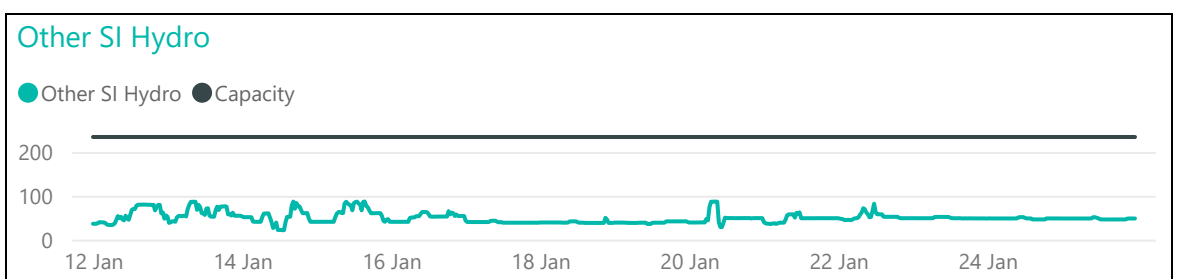
Tekapo



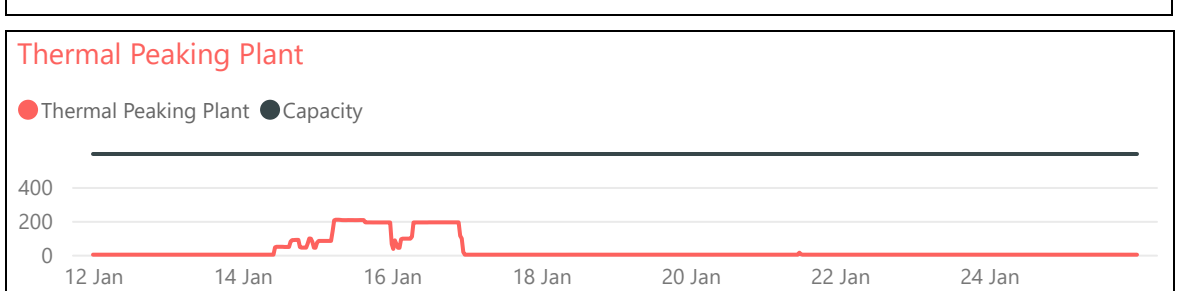
Tongariro



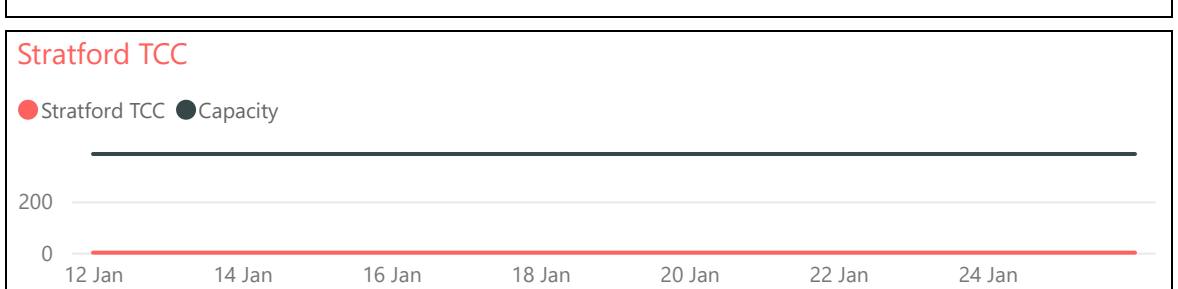
Other SI Hydro



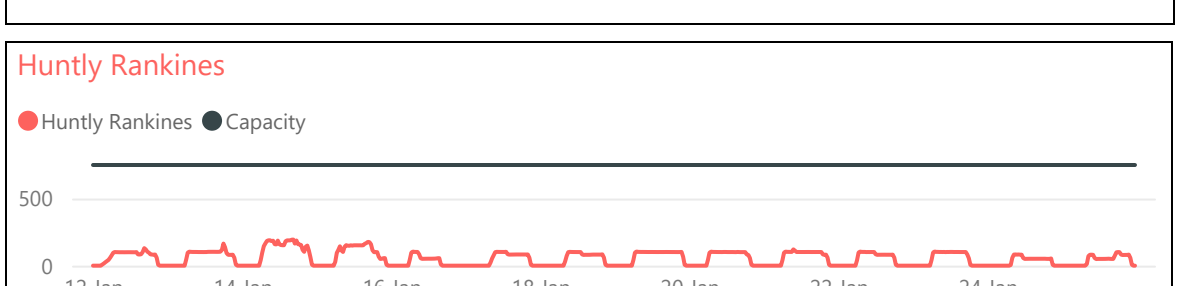
Thermal Peaking Plant



Stratford TCC

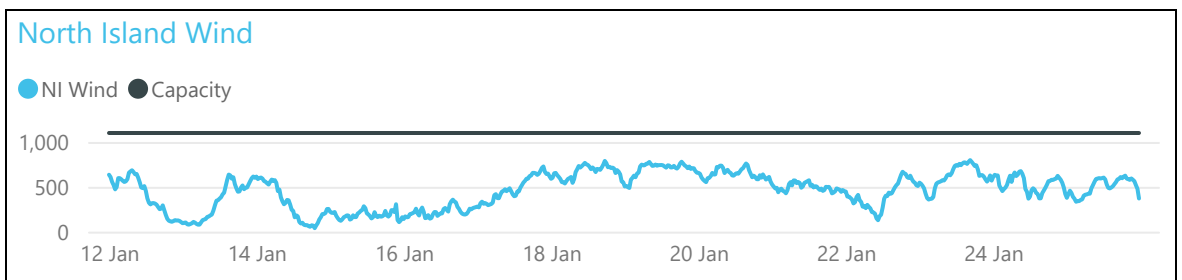


Huntly Rankines

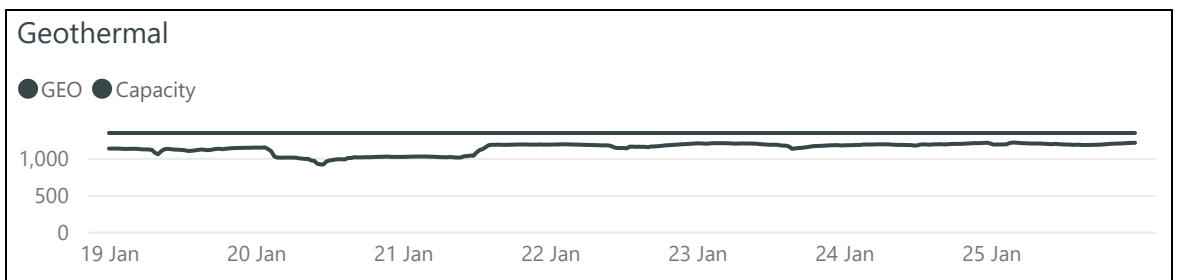


Huntly U5

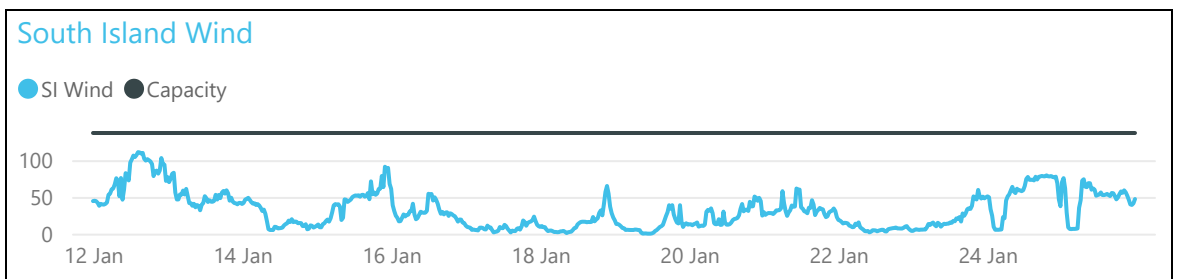
North Island Wind



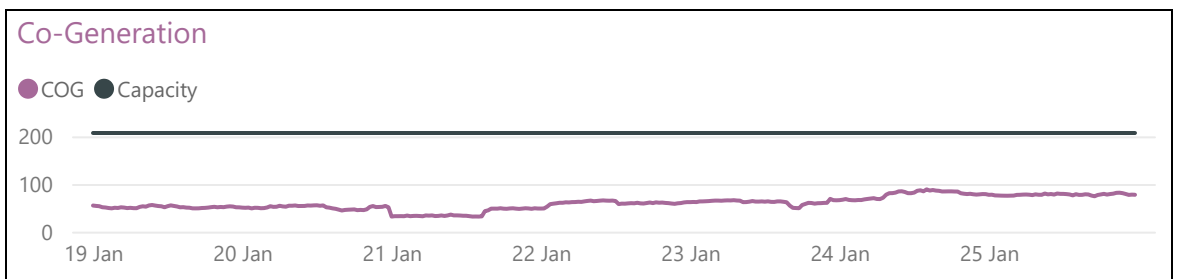
Geothermal



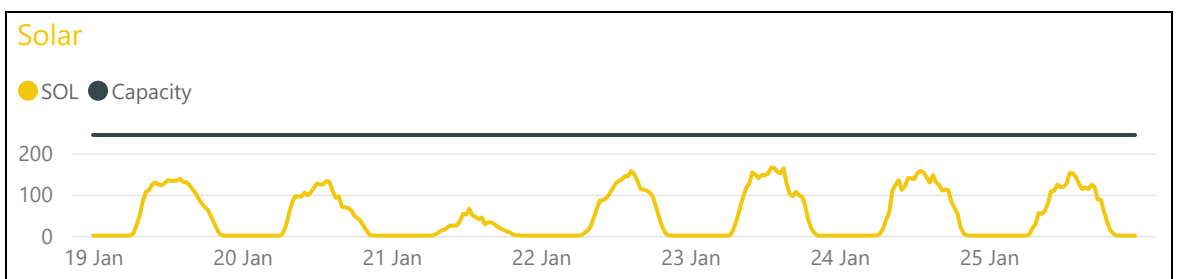
South Island Wind



Co-Generation

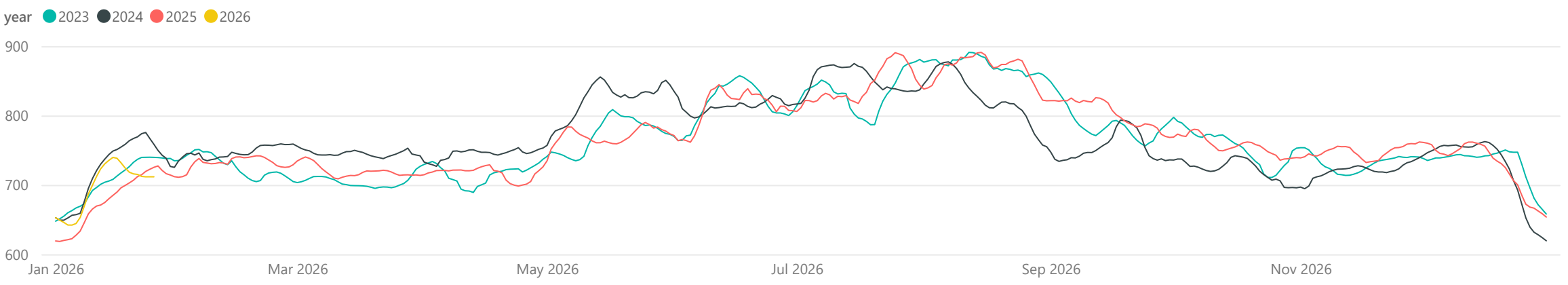


Solar

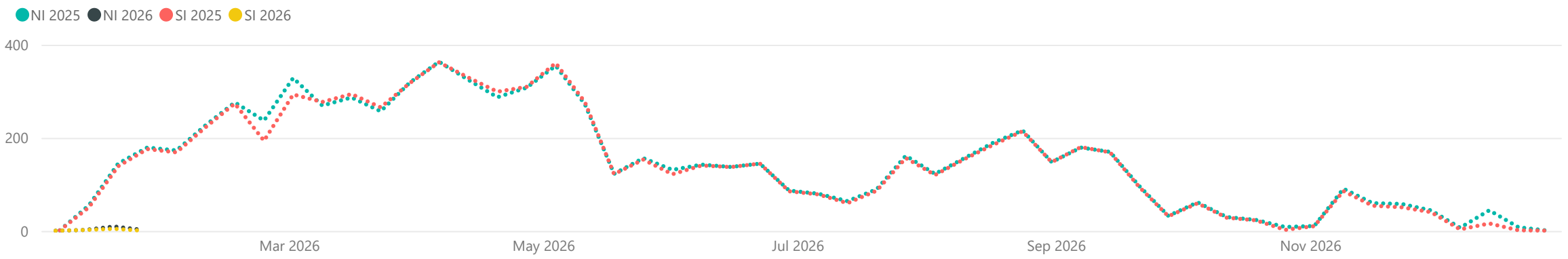


Weekly Profiles

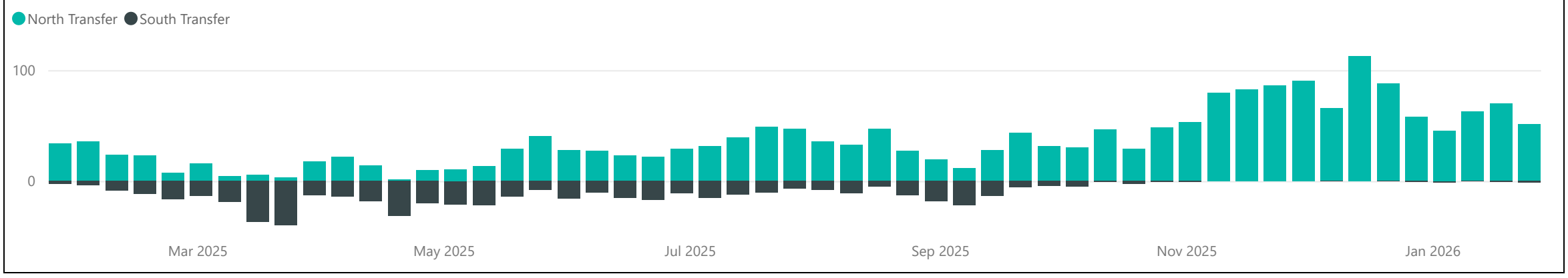
National Weekly Demand - GWh - 7 Day Rolling



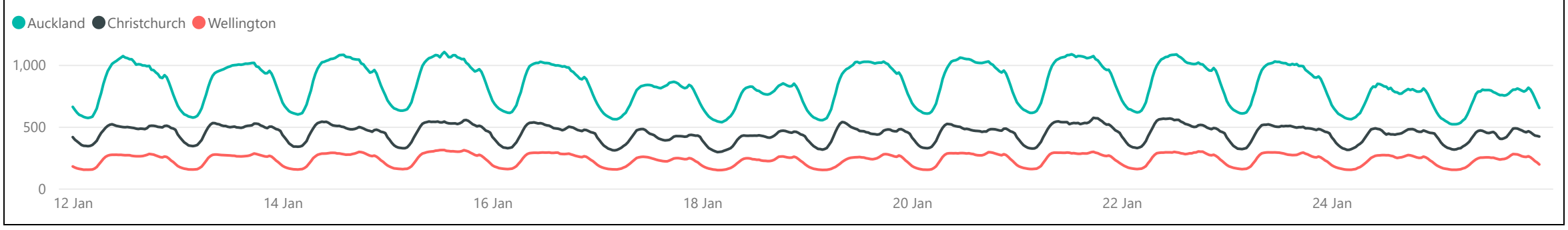
Weekly Spot Price - $/MWh



HVDC Transfer - Weekly GWh

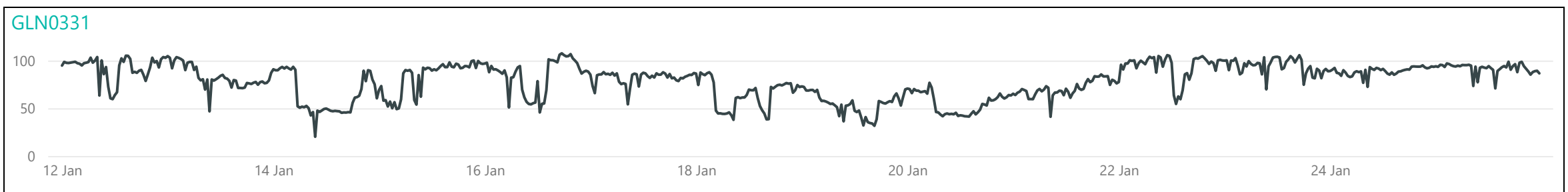


Conforming Load Profiles - Last Two Weeks *Measured in MW shown by region*



Non-Conforming Load Profiles - Last Two Weeks *Measured in MW shown by GXP*

GLN0331



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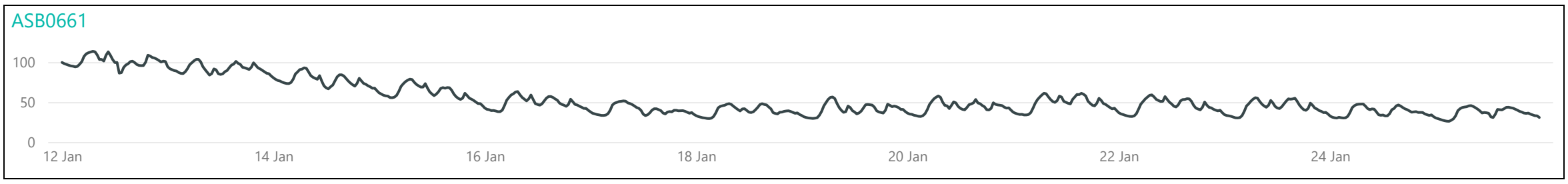

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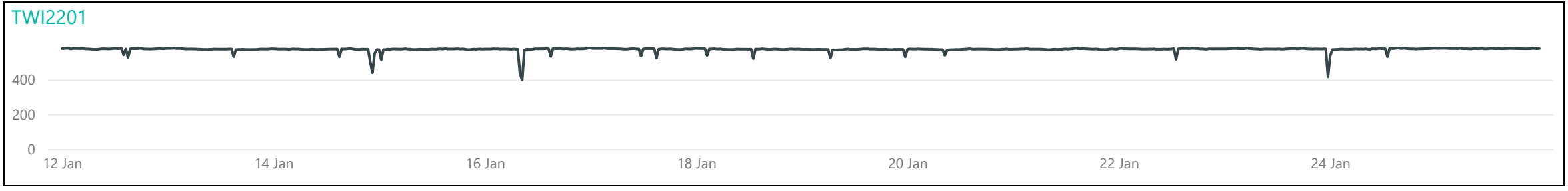
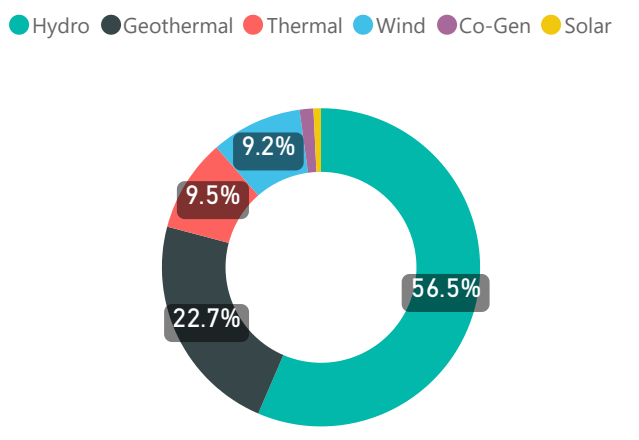


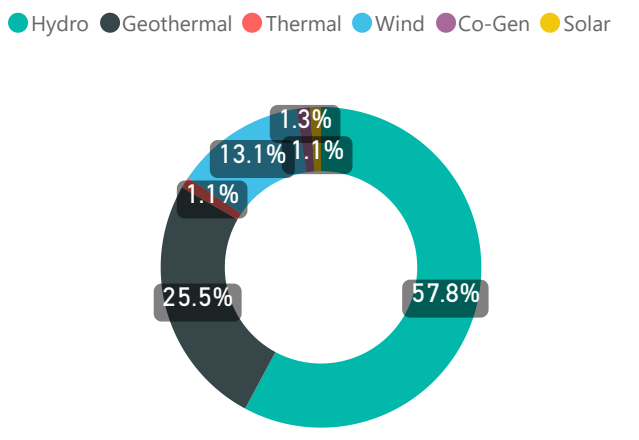
TRANSPOWER

Generation Mix

Last 52 Weeks Generation Mix - Weekly GWh



Last 7 Days Generation Mix - Weekly GWh



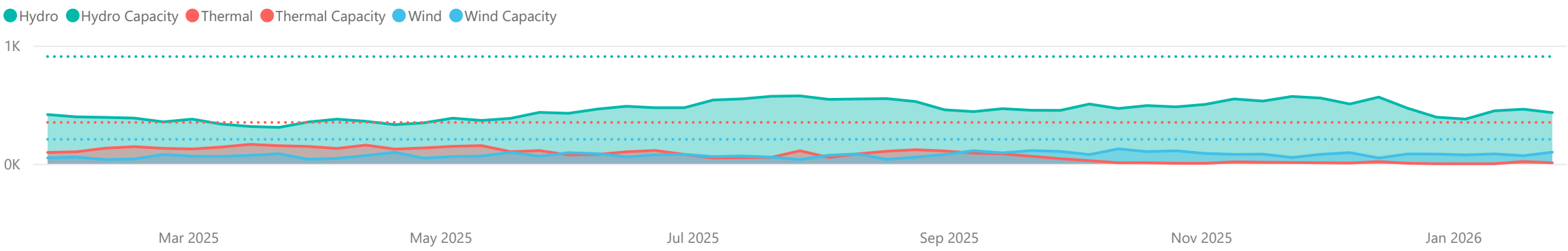
Average Metrics Last 7 Days

Renewable Percentage	CO2e Tonnes/Week	CO2e g/kWh
98%	24,533	32.8

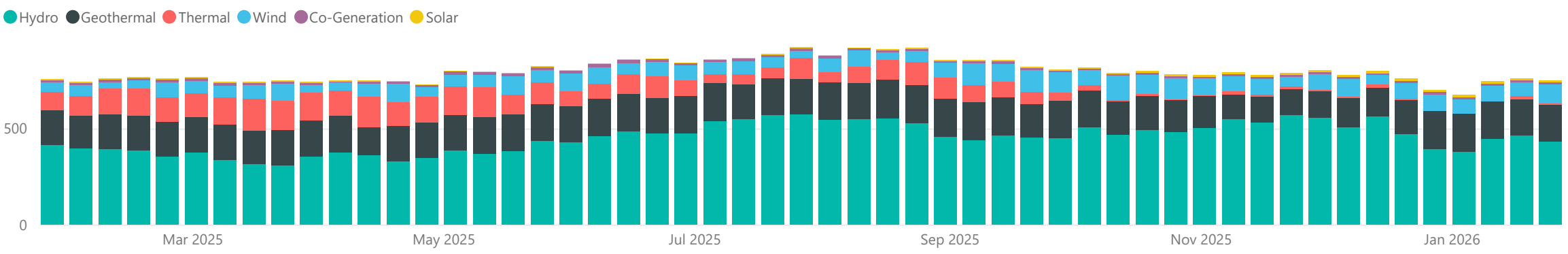
Average Metrics Last 52 Weeks

Renewable Percentage	CO2e Tonnes/Week	CO2e g/kWh
89%	62,969	78.9

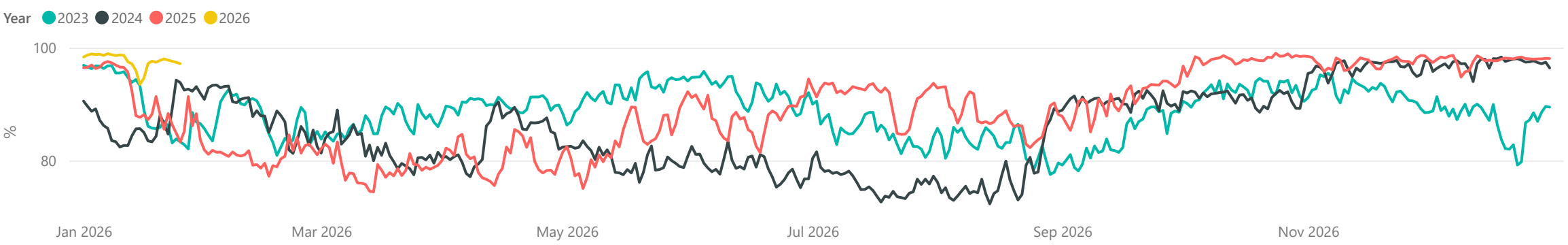
Weekly Generation Mix vs Capacity - GWh



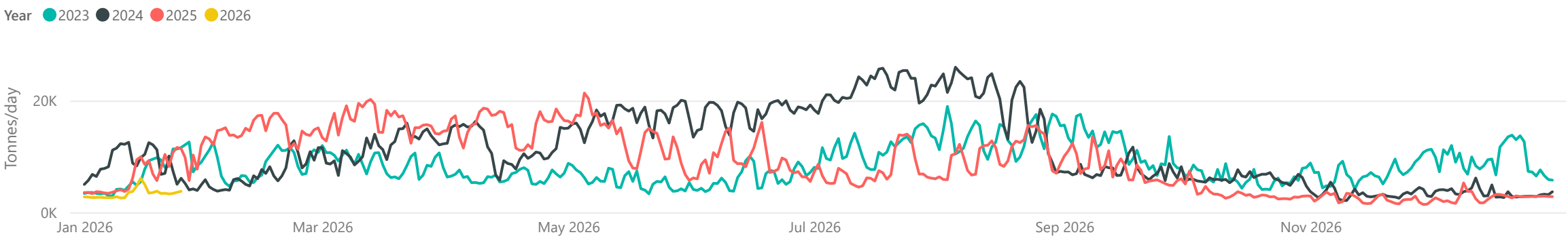
Weekly Generation Mix - GWh



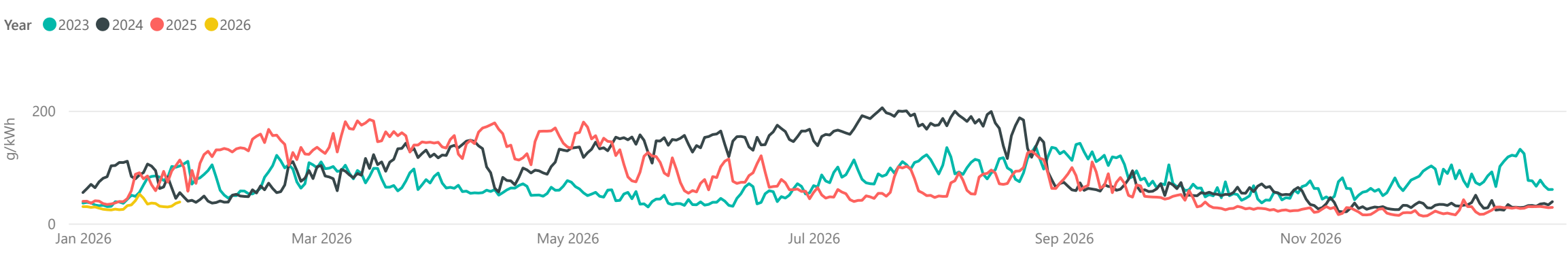
NZ Renewable Percentage



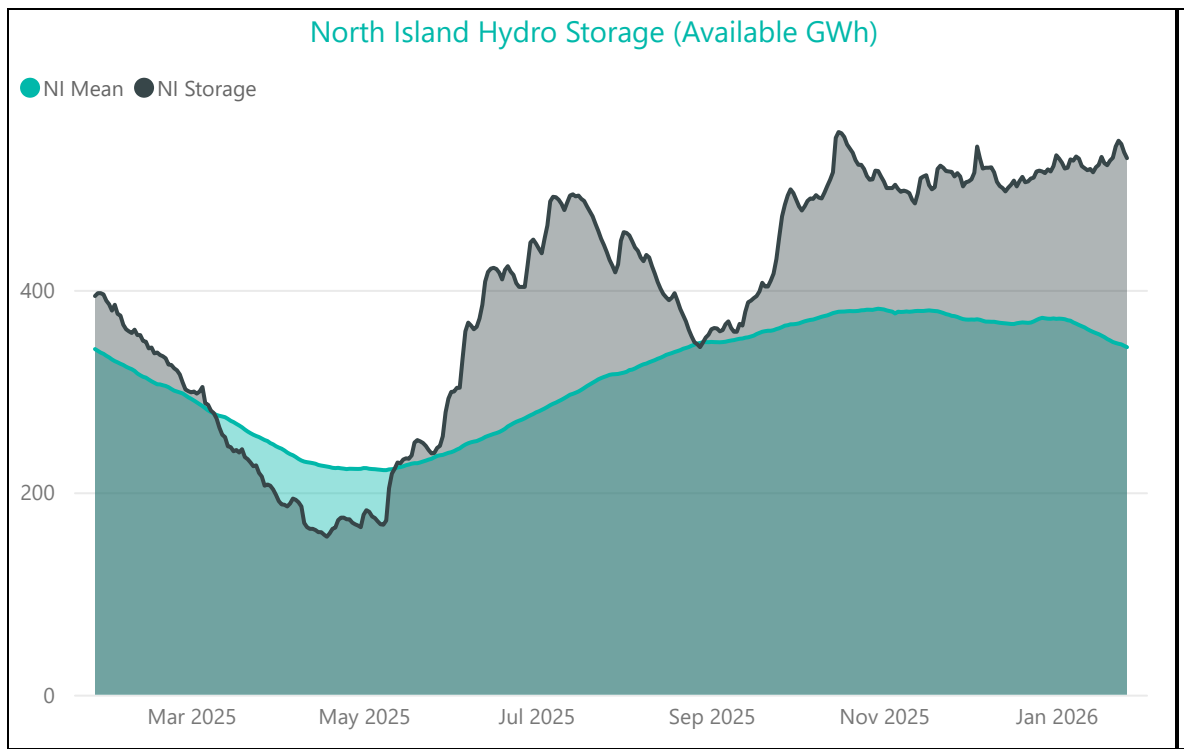
CO2 Tonnes/Day

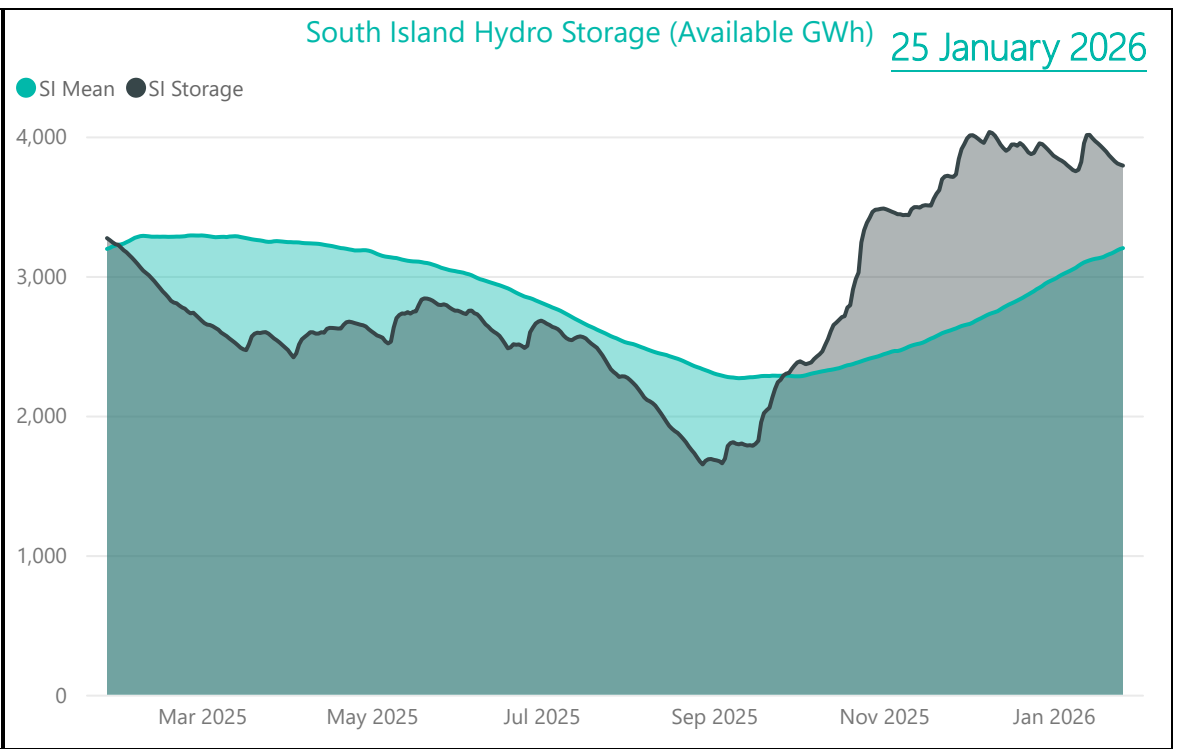


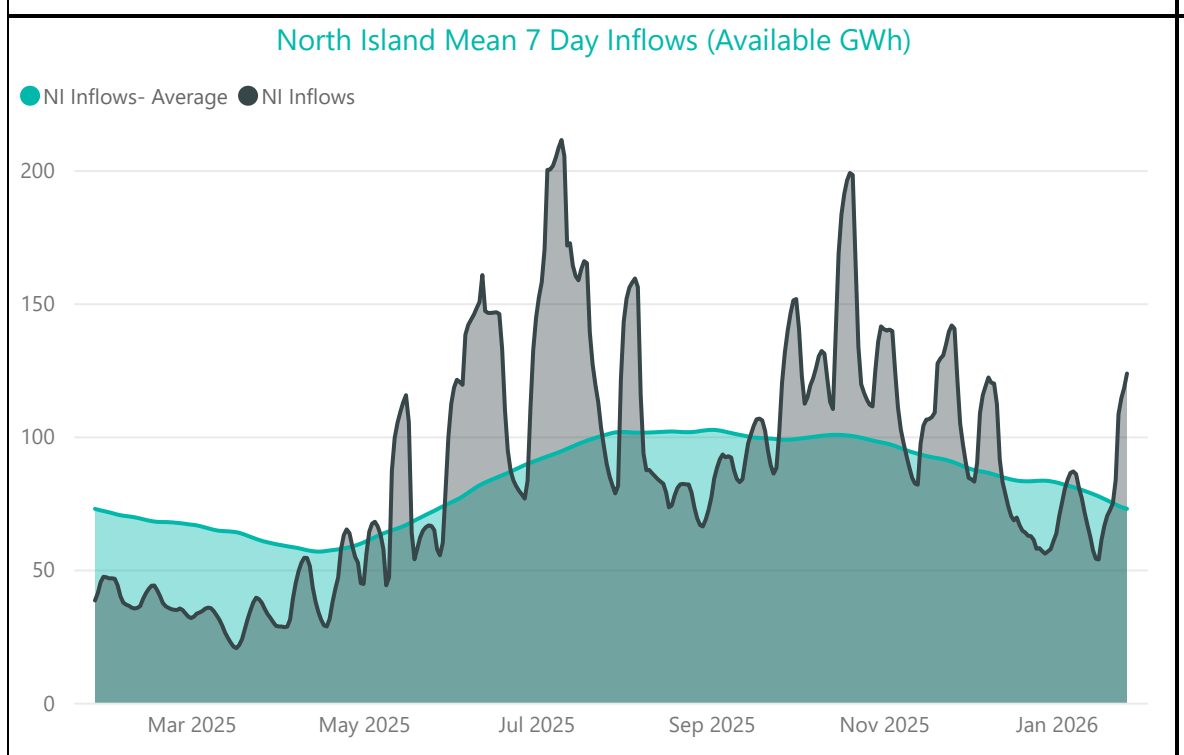
CO2 g/kWh

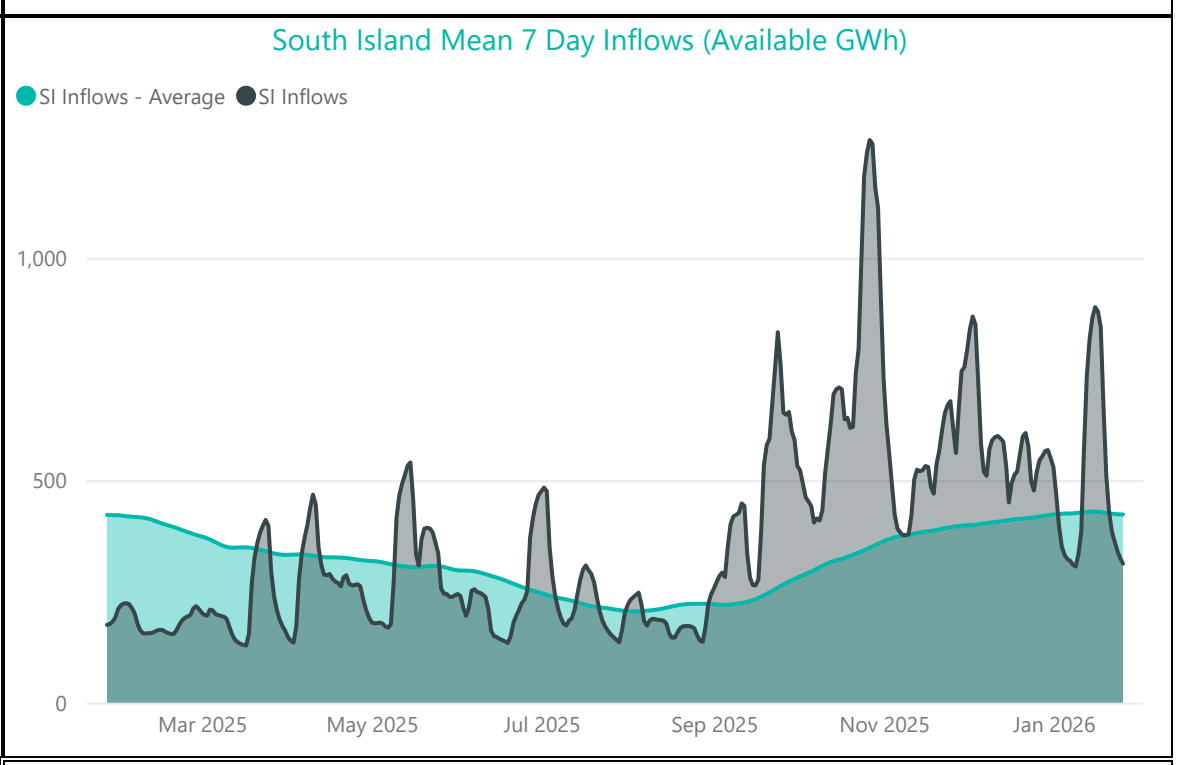


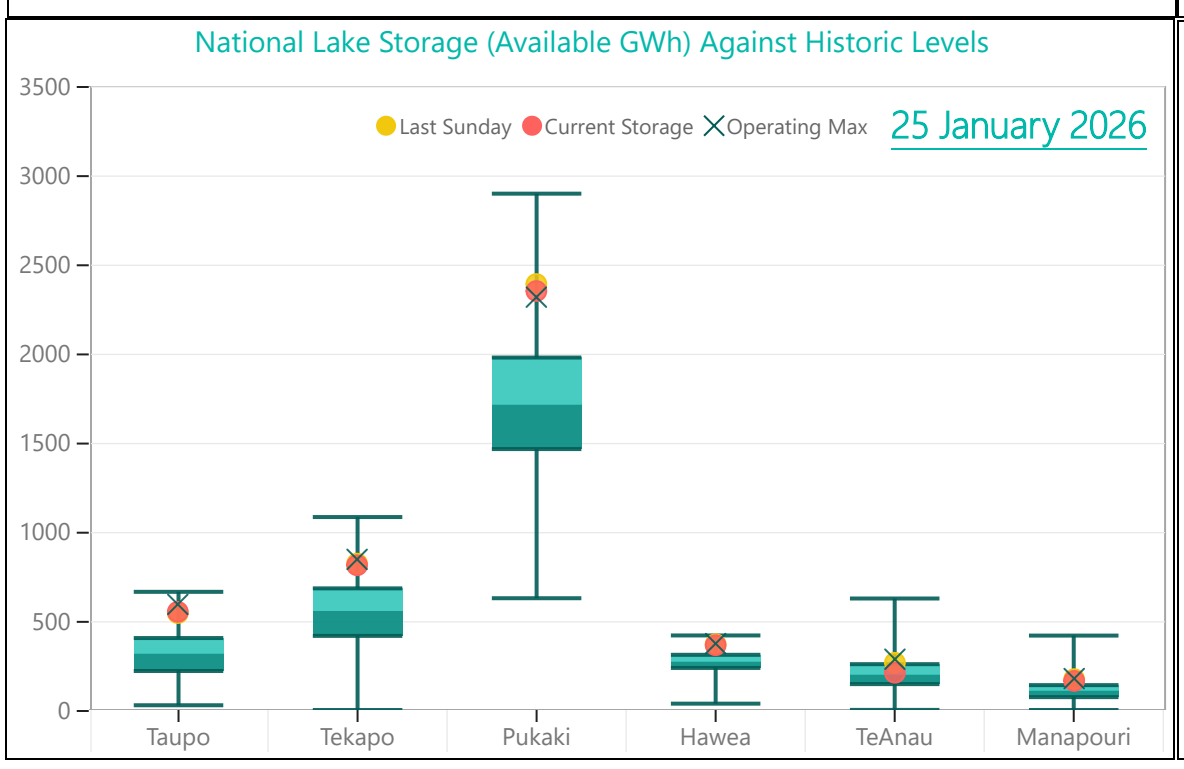
Hydro Storage

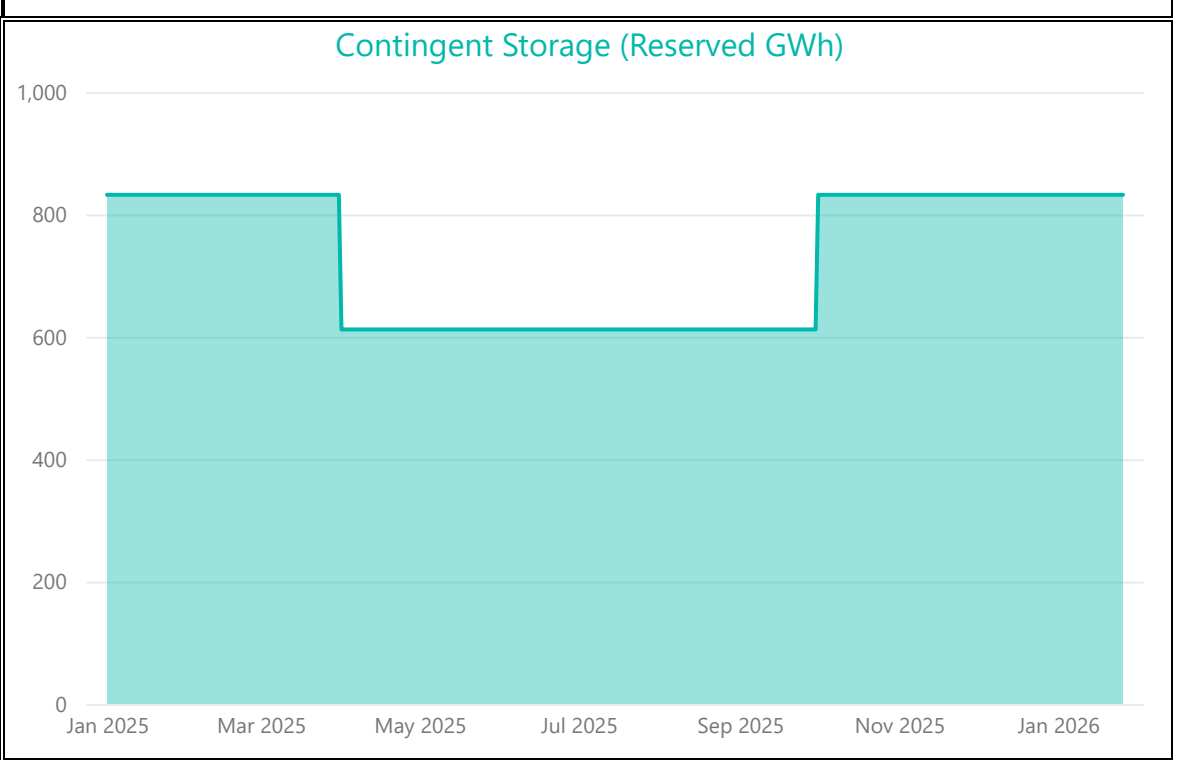












For further information on security of supply and Transpower's responsibilities as the System Operator, refer to our webpage here: https://www.transpower.co.nz/system-operator/security-supply

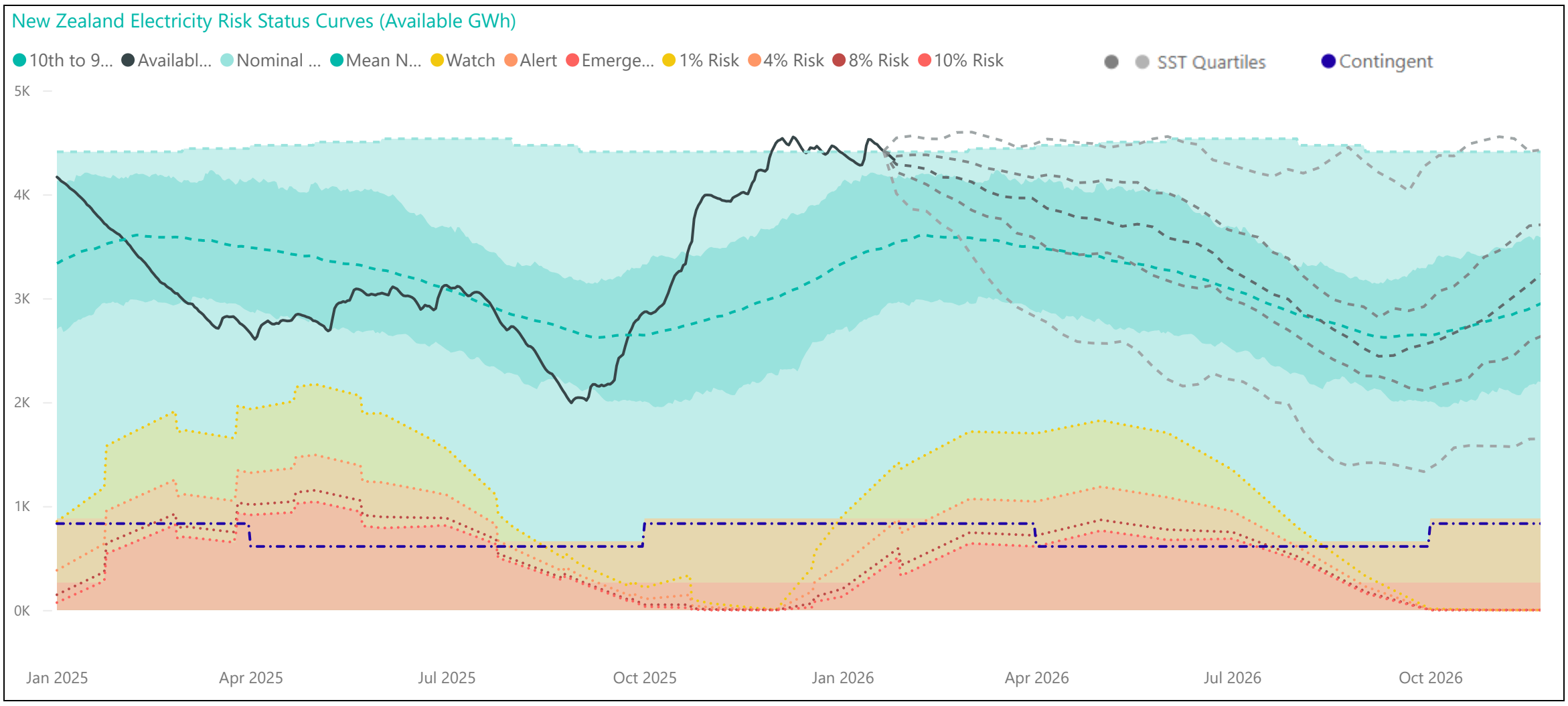
For any inquiries related to security of supply contact market.operations@transpower.co.nz

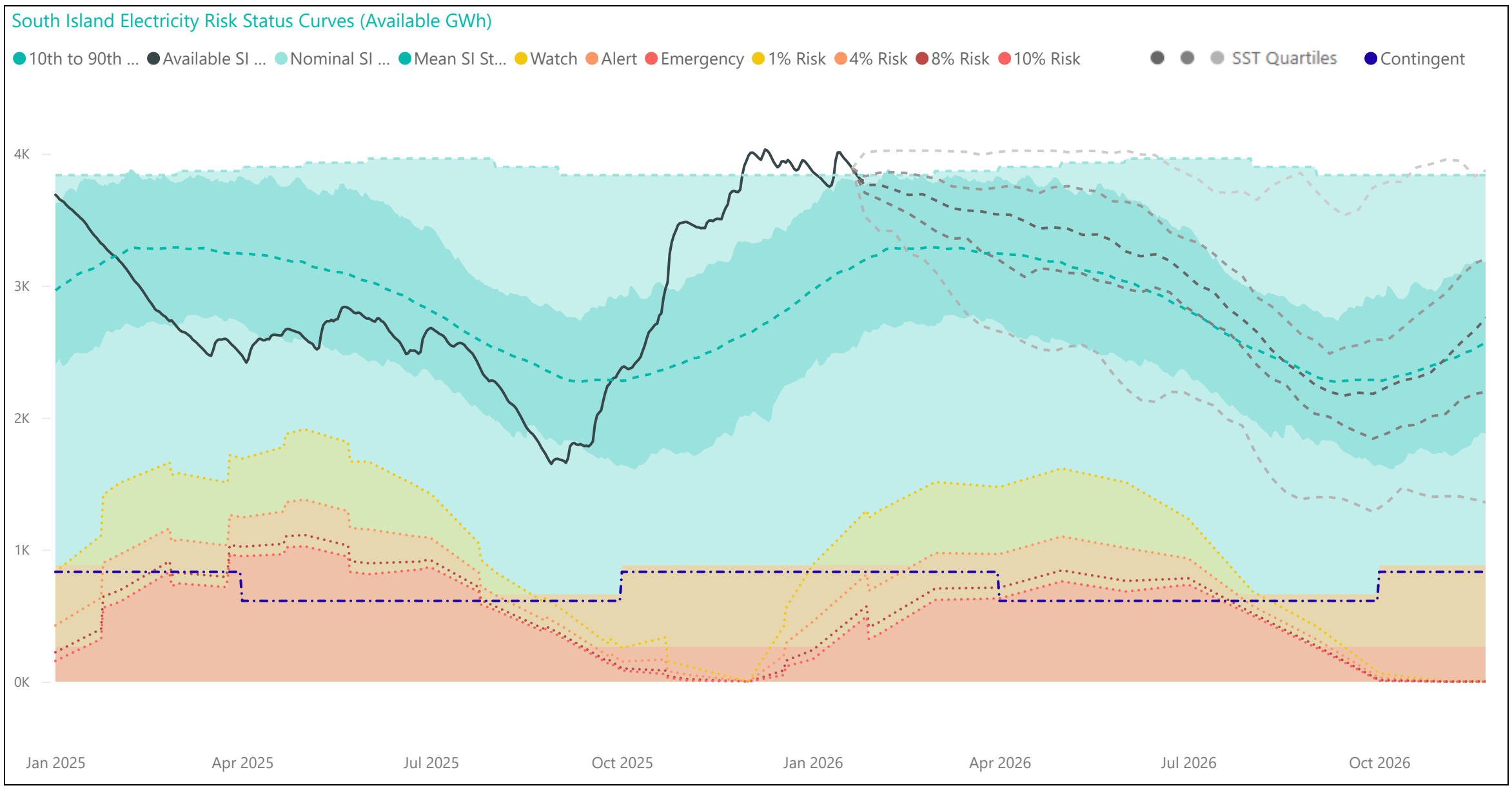
Hydro data used in this report is sourced from *NZX Hydro*.

Electricity risk curves have been developed for the purposes of reflecting the risk of extended energy shortages in a straightforward way, using a standardised set of assumptions.

Further information on the methodology of modelling electricity risk curves may be found here: https://www.transpower.co.nz/system-operator/security-supply/hydro-risk-curves-explanation

Electricity Risk Curves





Electricity Risk Curve Explanation:

Watch Curve - The maximum of the one percent risk curve and the floor and buffer
Alert Curve - The maximum of the four percent risk curve and the floor and buffer
Emergency Curve - The maximum of the 10 percent risk curve and the floor and buffer
Official Conservation Campaign Start - The Emergency Curve
Official Conservation Campaign Stop - The maximum of the eight percent risk curve and the floor and buffer

Note: The floor is equal to the amount of contingent hydro storage that is linked to the specific electricity risk curve, plus the amount of contingent hydro storage linked to electricity risk curves representing higher levels of risk of future shortage, if any. The buffer is 50 GWh.

The dashed grey lines represent the minimum, lower quartile, median, upper quartile and the maximum range of the simulated storage trajectories (SSTs). These will be updated with each Electricity Risk Curve update (monthly).