

24 November 2025

System Operator

By email: system.operator@transpower.co.nz

Security of Supply Assessment 2026

Meridian welcomes the opportunity to provide feedback on the System Operator's consultation paper 'Security of Supply Assessment 2026: Reference Case Assumptions and Sensitivities'. We appreciate the collaborative approach the System Operator continues to adopt in developing and finalising this assessment.

Our feedback is as follows:

1. We support the addition of an 'Expected Futures' case and we agree with the System Operator on the proposed sensitivities for inclusion in this case. It is helpful to present a single scenario that reflects the System Operator's best guess of likely future outcomes. However, the need to develop such a scenario also highlights that the mandatory assumptions and approach underpinning the Reference case are in urgent need of updating. It is clear that the Reference case does not reflect a likely view of the future. This is not surprising given the rapid evolution of the sector and the fact that Security Standard Assumptions Document (SSAD) has not been updated for 13 years. Ideally, the Electricity Authority would progress a review and update of the SSAD urgently to ensure the security standards and underlying modelling assumptions remain fit for purpose. Until this happens, we consider the System Operator's proposal to present an Expected Futures case to be sensible and helpful. It may be worth considering an alternative naming of this case to something more generic (e.g. 'Combined sensitivity') as the existence of both a Reference case and an Expected Futures case is likely to cause confusion.
2. The identification of the sensitivities the System Operator considers should be included in an Expected Futures case raises questions about whether the existing set of sensitivities is appropriate. For example, if the System Operator genuinely believes that the Low Gas Supply sensitivity is the most likely to eventuate, this suggests the Medium Gas Supply case should in fact be the High Gas Supply case and a **Lower** Gas Supply case should be developed to represent a more pessimistic view of the future. This further reinforces the need for the Reference case to reflect the most plausible set of assumptions with sensitivities developed around this to reflect the range of possible futures.

3. We support the decision to develop a 'Delayed Build Times' scenario to recognise the risk of bottlenecks and delays in the development process including risks associated with securing transformers, as previously raised by Meridian.
4. We recommend that the 'No new thermal' scenario is included in the Reference case rather than being modelled as a sensitivity. Our understanding is the prospect of new thermal plant being built in the short to medium term is low.
5. We agree with the System Operator's proposal to seek the Authority's permission to incorporate Transpower's committed HVDC STATCOM investment into the Reference case (without also having to model the HVDC assumptions in the SSAD). Again, the need to seek the Authority's permission to adopt an assumption which has already been committed to suggests the underlying requirements of the SSAD are outdated and inflexible.
6. We support the Reference case modelling the continued operation of three Rankine units at Huntly including sufficient fuel availability to power these units. We note the Commerce Commission's draft decision to authorise the Huntly Strategic Energy Reserve agreements has now been finalised.
7. We note the System Operator has based its assumed battery peak capacity factors on observations in other jurisdictions. We expect the operation of batteries in a New Zealand context will reflect the specific characteristics of our market. As such, we would suggest updating these initial assumptions with data on the operation of batteries in New Zealand as this information becomes available.

Please contact me if you have any queries regarding this submission. This submission can be published in full.

Nāku noa, nā

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