

Submission

Tararua Long List Consultation

15 June 2026



Fonterra welcomes the opportunity to provide input to Transpower's Tararua Long List consultation.

Fonterra is a dairy co-operative owned by over 8,000 New Zealand farming families with manufacturing sites across the country, making us New Zealand's largest exporter and a major supplier of dairy products to the domestic market.

With manufacturing operations spread throughout New Zealand, a regulatory requirement to stop using coal by 2037 and a significant decline in future natural gas supply, timely low-cost access to electricity for process heat is critical.

Fonterra supports Transpower's work to future proof the grid for increased generation and decarbonisation via electrification of customer loads. Notwithstanding our broad support, the consultation package is unclear on why this project is prioritised over others.

To maintain momentum on the electrification of New Zealand's economy and manage Transpower's limited capacity to fund and resource projects, getting the right spend in the right location and the right time is crucial.

It's unclear the extent to which geographical diversity of wind generation has been factored into Transpower's decision process and therefore whether similar projects that are likely to support greater overall market strength located elsewhere are further down the priority list.

It's also unclear from the information available whether this is crucial interconnection asset work that all users pay for or whether it's directly connected to new generation that should be funded by the connection requestors. Clarity on this point will be helpful and helps alleviate concerns from the lack of clarity around the current Transmission Pricing Methodology (TPM) process which seems to be driving continuous increases in transmission costs for end users without any clear reduction in electricity prices or whole-of-market benefits.

Fonterra supports Transpower's future grid work Te Kanapu, which allows for a holistic plan for the national grid can help avoid the need for bespoke development consultations. We think there is an opportunity for greater visibility on how the work of the grid development team, working on a 10-year horizon, intersects with the strategy team's work looking beyond, to give confidence about the prioritisation of projects over the longer term.

For the project under current consideration, we strongly recommend that modular staged design and build is considered to reduce the risk of overbuilding capacity too early. Fonterra also continues to advocate for grid prebuild to be carried on Transpower's finances at the governments cost until capacity is utilised, to provide some financial risk tension to the decision process.

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