

16 April 2026

Victoria Parker  
Head of Grid Pricing  
Transpower New Zealand Ltd  
Waikoukou  
22 Boulcott Street  
Wellington

Via email to: [pricingteam@transpower.co.nz](mailto:pricingteam@transpower.co.nz)

Dear Victoria

## **TPM Consultation: Updated CNI & HVDC Reactive Support starting customer allocations**

### **Introduction**

Thank you for the opportunity to provide a cross submission on the updated consultation on the proposed starting allocations for the CNI and HVDC Reactive Support BBIs.

Orion supports the submission by New Zealand Aluminium Smelters (**NZAS**) in particular the following:

1. NZAS notes that the proposed approach is not consistent with the Transmission Pricing Methodology (**TPM**). This observation is very similar to Orion's that the TPM does not allow for the allocation BBI charges to be changed once set, except under clause 81. Orion also agrees that clause 43(5) does not apply.
2. The change from using clause 51 to clause 52 for the HVDC reactive support BBI is not supported by robust underlying assumptions, in particular the additional South Island generation that is likely to now be built knowing the long-term nature of the NZAS load.
3. NZAS makes very similar points to Orion regarding version 1.1 of the Assumptions book.
4. NZAS has raised its ability to actively respond for prolonged HVDC southward transfer also applies to other customers ability to reduce demand during periods where scarcity pricing may apply. It is scarcity pricing events that causes the higher perceived benefit to South Island load.

Orion's conclusions at the end of its original submissions are confirmed by NZAS's submission.

*Although Orion is supportive of a changing allocation of BBI charges over time it does not support a piecemeal retrospective application of the TPM which is not covered by a mechanism under the TPM as it currently stands.*

*We recommend that changes such as this should be part of the operational review of the TPM, not a one-off reaction to a change in circumstances.*

We would go further now and recommend that no changes are made to the original allocations except as allowed by clause 81 of the TPM.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'DP', with a long horizontal flourish extending to the right.

Dayle Parris

**Head of Revenue and Regulation**