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By email: Infrastructure.regulation@comcom.govt.nz

Transpower Upper South Island MCP draft decision

We appreciate the opportunity to respond to the Commerce Commission's draft decision, published 18 December 2025, on our major capex proposal (MCP) for the Upper South Island.

We welcome the draft decision, especially the Commission's approval to seek funding for a non-transmission solution (NTS). The proposed \$7.0 million funding covers one year of transmission investment deferral, allowing Transpower to work with NTS providers and procure a more cost-effective alternative to transmission build if available.

Next steps for NTS development

Transpower and Upper South Island EDBs will meet in Christchurch later in February to discuss how to incentivise flexibility, and what type of flexibility providers would be candidates for an NTS, in response to demand growth.

By the middle of 2026, our goal is to thoroughly understand the flexibility offerings landscape (including what is available now and what is planned) so we can publish a summary of anticipated NTS opportunities for the Upper South Island. Afterward, we will either release a Request for Proposal (RFP) for those NTS or share an update on progress toward that aim.

Prior to publishing an RFP we would provide potential providers and other interested parties an opportunity through a workshop environment to test availability and needs in a collaborative setting.

Our analysis indicates the region will need up to 93 MW of flexible demand response in summer 2029 and up to 34 MW in winter 2029, with added activity during shoulder seasons. These estimates may change as updated data and forecasts become available from our regional partners.

Yours sincerely

Joel Cook
Head of Strategy and Regulation