

Full year 2026 Results presentation



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Agenda

Strategy delivery update



James Kilty,
Chief Executive

Financial performance



Greg Smith,
Chief Financial Officer

Sustainability & funding



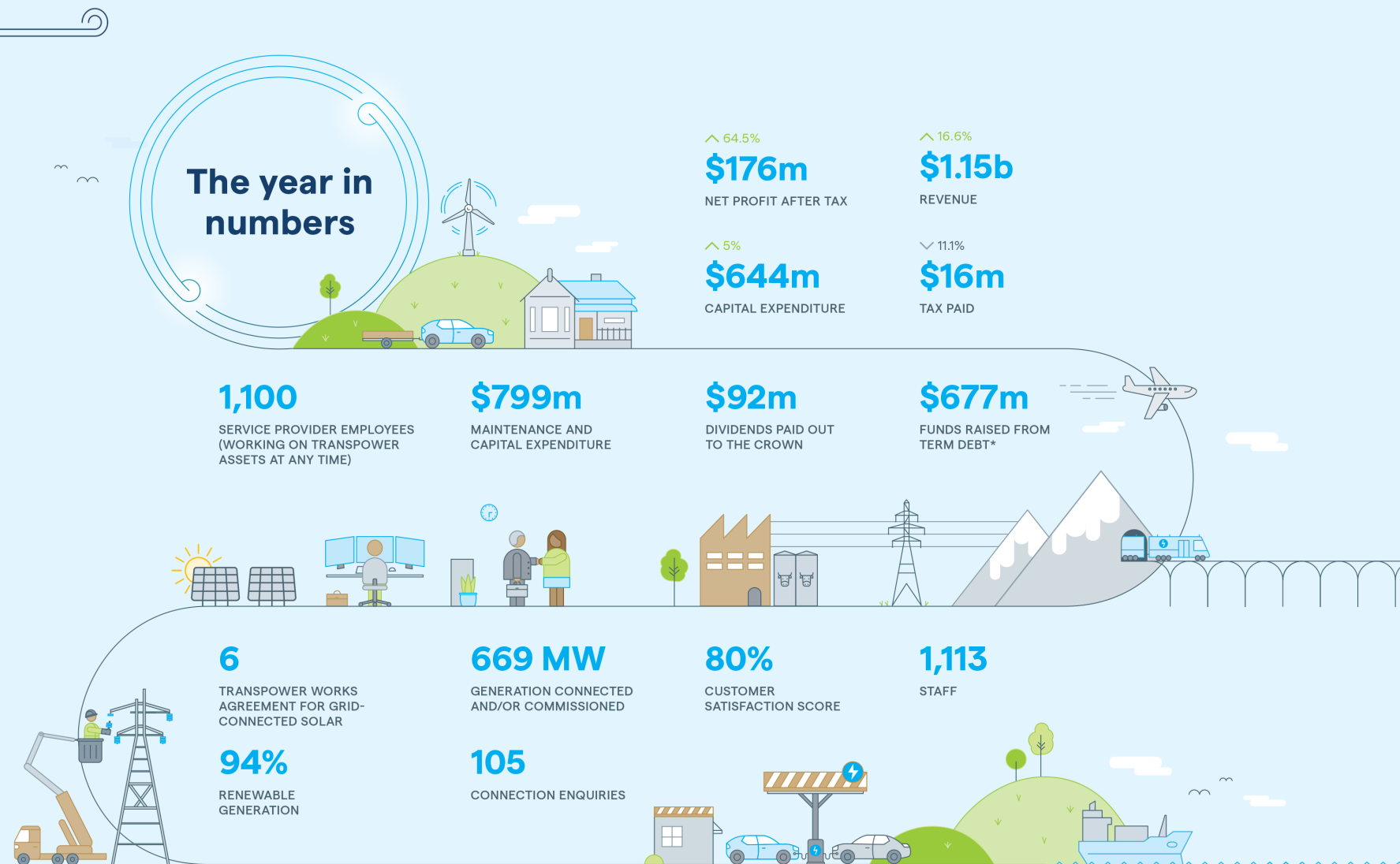
Chris Sutherland,
Treasurer

Q&A

An aerial photograph of a large, modern industrial warehouse complex at dusk. The sky is filled with soft, colorful clouds in shades of pink, orange, and blue. A prominent white spiral graphic, resembling a stylized sun or a signal, is superimposed on the sky. The warehouse has a long, low profile with a light-colored metal roof and dark grey corrugated metal siding. A section of the building features large glass windows and doors, which are illuminated from within. Several cars are parked in the lot in front of the building. In the background, other industrial buildings and a distant horizon are visible.

Delivering today,
enabling growth
for tomorrow

FY26 in numbers



*Excludes short-term commercial paper issuance

Source: Transpower Integrated Report FY2026

Transpower is adapting at pace for the energy transition

New Zealand's national grid and system operations exist to serve



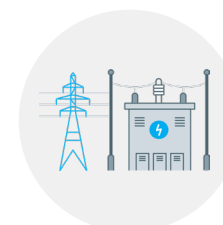
Enhance our social licence to operate



Deliver services that meet our customers' needs



Facilitate delivery of an optimised transition path for Aotearoa New Zealand



Accelerate electrification through our asset investments



Advance our organisational effectiveness

What we've delivered in FY26

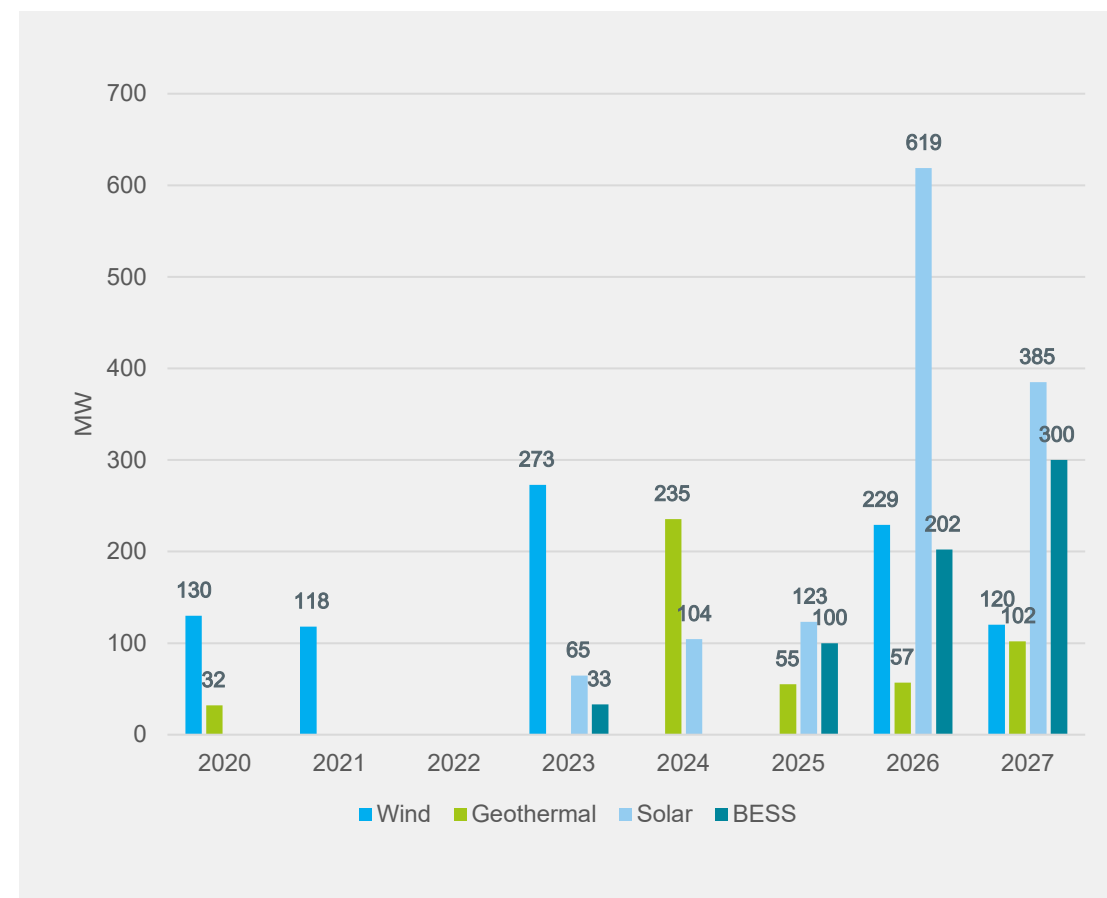
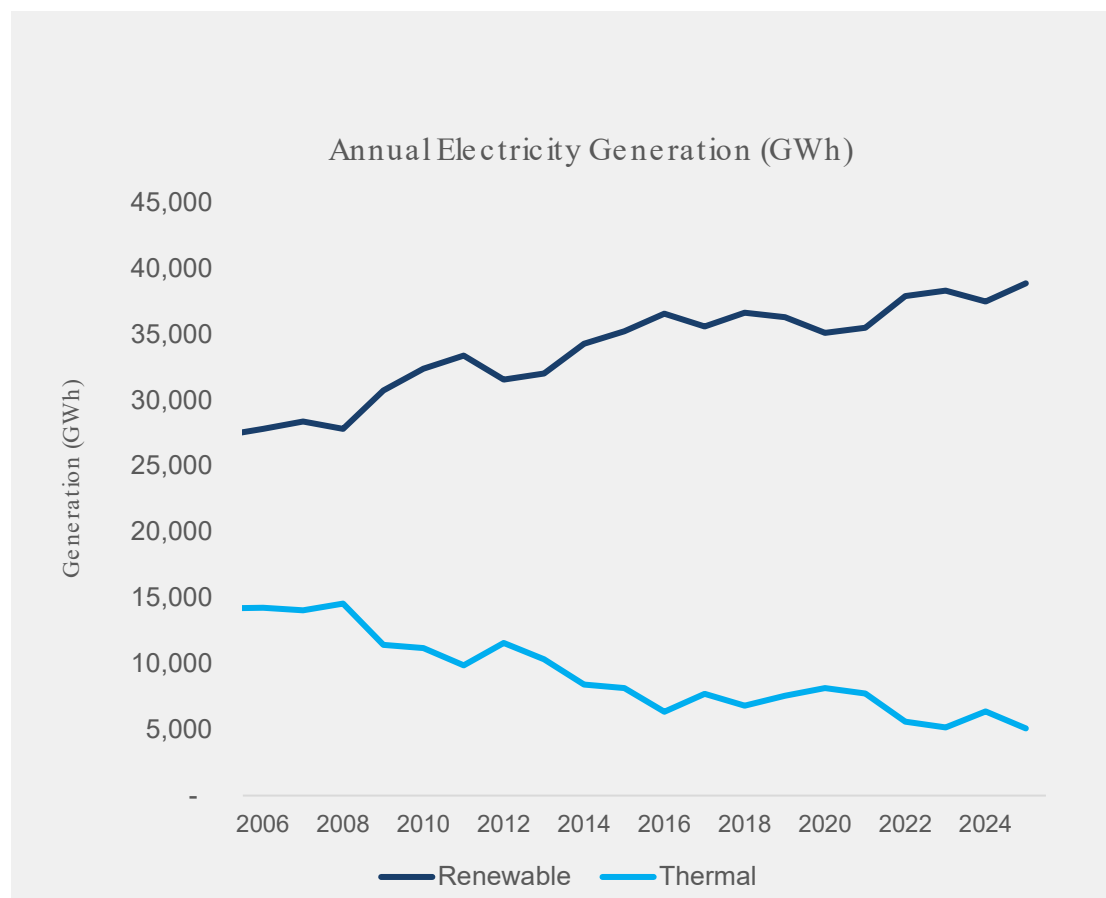
- | | | | | |
|---|---|---|---|--|
| <ul style="list-style-type: none">• A new customer and stakeholder platform implemented to improve responsiveness• Updated scenarios and engagement through our Te Kanapu programme• Electrification campaign prepared.• Wonder Project investment in future engineers | <ul style="list-style-type: none">• All Grid Owner Service Measures were met to support reliable electricity transmission• All System Operator measures were met to support the market including the SO satisfaction score• Step-change improvement in the connection pipeline – advancing 'ready to proceed' projects at pace• Global leadership in space weather risk management | <ul style="list-style-type: none">• Wide consultation to develop a refreshed SO strategy• Control Room of the Future Project developed• Te Kanapu Future Grid Blueprint developing based on wide-ranging consultation• Strengthened security of supply through improved dry-year modelling, forecasting, market information and engagement• Advanced the TPM Operational review | <ul style="list-style-type: none">• Connected and/or commissioned 669 MW of new generation, batteries and capacity upgrades• Implemented the first digital substation in rapid time• Delivered the year's Net Zero Grid Pathways Phase 1 projects, alongside the rest of the capital programme• Gained approval for \$1.25bn of Major Capital Projects | <ul style="list-style-type: none">• Implemented a new outage optimisation process with a step change in productivity• Completed the design and testing phase of the TransGO fibre Refresh programme• Commenced the Enterprise Business Capability (EBC) programme• Initiated an innovation programme to increase throughput and productivity, identifying \$53m savings for RCP4 so far |
|---|---|---|---|--|

Looking ahead to FY 27

- | | | | | |
|---|---|---|--|---|
| <ul style="list-style-type: none">• Progress operational review of the TPM to improve customer outcomes• Implementation of stakeholder engagement strategy and regional engagement plans | <ul style="list-style-type: none">• Deliver our Grid Owner and SO measures• Continue to enhance customer pipeline throughput | <ul style="list-style-type: none">• Publishing a Future Grid Blueprint identifying least - regrets major investments to support a reliable, resilient and affordable transmission grid• Deliver year one of the Control Room of the Future programme | <ul style="list-style-type: none">• Continued Development and delivery of our major capital proposal work to ensure the grid continues to deliver for New Zealanders• Develop the first full expenditure plan for our next regulatory control period in preparation for consultation. | <ul style="list-style-type: none">• Implementing efficiencies in our end-to-end and innovation programmes• Streamlining business processes and Information tools through the EBC programme• Complete and commission TransGo |
|---|---|---|--|---|

The electricity system is adapting for the energy transition

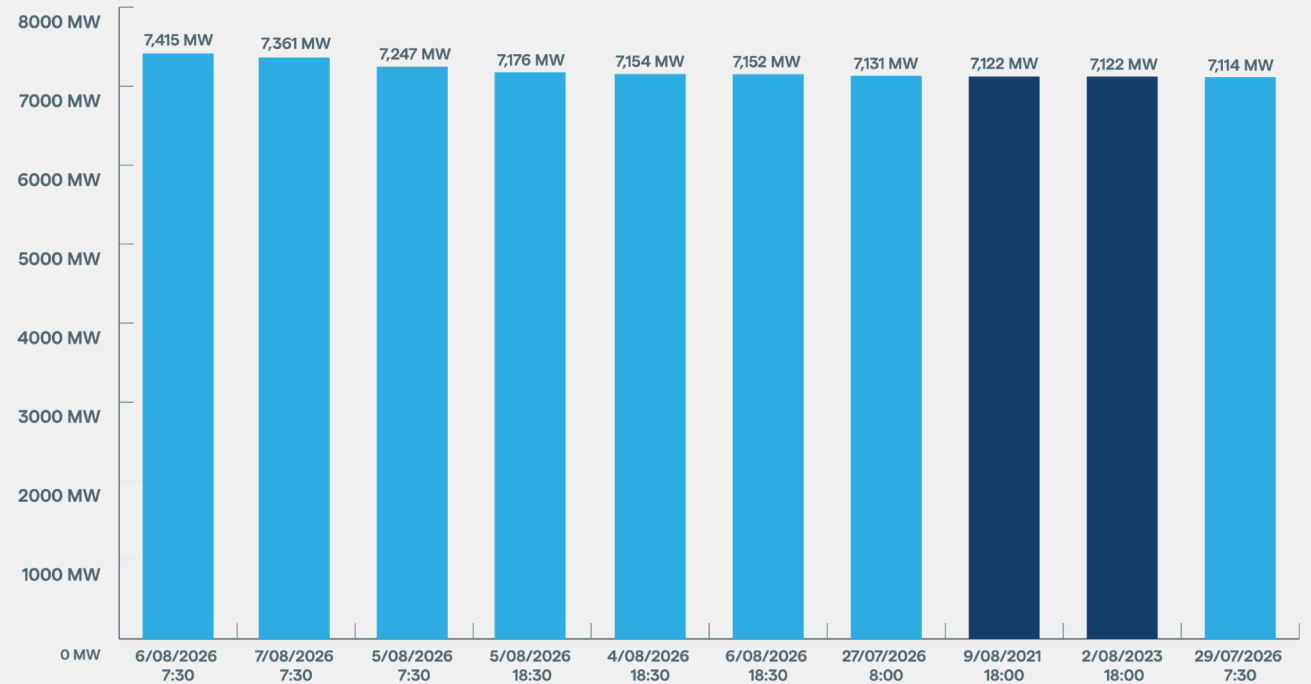
NZ's electricity market was 94% renewable in FY26; the electricity fuel switch to renewables is nearly complete



There is no time for complacency

Electrification growth has arrived and investment in the system and system operations must keep pace

-
- 8 of the top 10 demand peaks occurred in the last week of July and the first week of August 2026.
 - Peak demand hit a historic high of 7415 MW on the morning of 6 August.
 - The connection pipeline is shifting increasingly from generation to demand.
 - Security of supply in a rapidly transforming system remains a key area of focus.
 - The security of supply assessment looks ten years ahead and highlights key challenges and downside risks from New Zealand's dwindling gas supply, increasingly weather dependent resources, and potential delays in delivery of projects.
 - The growing role of electricity in the economy requires a shift away from just in time thinking.



Top 10 demand peaks of all time

Our SoSA is available on our website
[Security of Supply Assessment | Transpower](#)

The electricity system has taken over 100 years to advance to its current state.

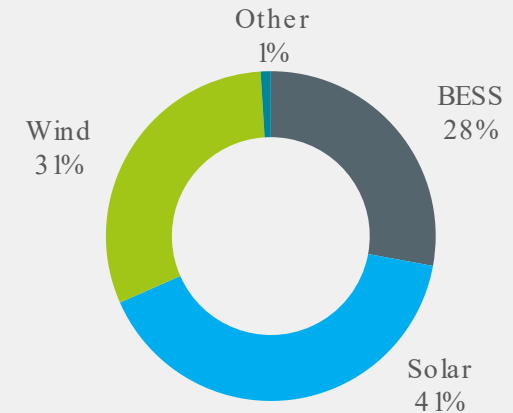
It must transform over the next 10 years to manage a step change in inverter -based generation, distributed resources, flexibility, step-changes in demand growth, and new load profiles as New Zealand electrifies.

Energy is the economy, the economy is energy

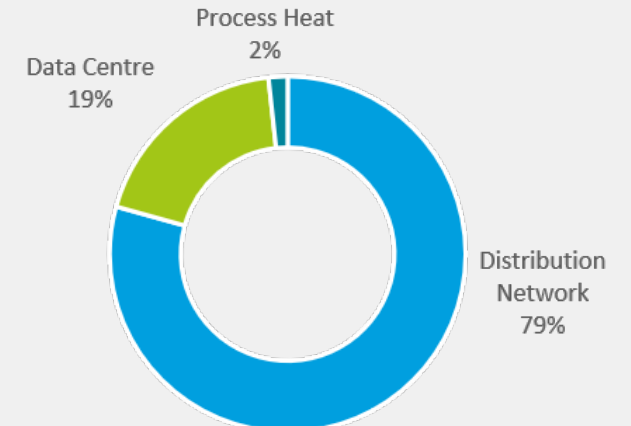
The energy system must enable the economy; New Zealand's renewable resources are a strength

- New Zealand's renewable electricity resources offer a more affordable pathway to an energy resilient, independent and lower carbon energy future.
- These renewable resources need to be firmed by other fuels for the foreseeable future. Huntly arrangements are a good step forward.
- New Zealand's stable institutions, distance from strife, and renewable energy can attract growth.
- The generation connection pipeline highlights the extent of the renewable opportunity with enough new generation projects in the pipeline to more than double electricity supply. Rooftop solar and distributed resources are in addition to this.
- With the fuel switch in electricity largely achieved through current, committed, and near term expected investment, bringing more renewables to market will require alignment with new demand.
- Support from communities hosting infrastructure is critical and requires foresight on need to enable engagement well ahead of time.
- Changes in pipeline management now have the generation pipeline moving with 'readiness.' Readiness is now increasingly linked to the ability of developers to secure commitment from consumers to underwrite their investment.

Current generation enquiries by type



Current demand enquiries by type ¹



A landscape photograph showing a lush green forested hill in the foreground. In the middle ground, there is a calm reservoir or lake. The background features rolling hills and mountains under a clear blue sky. A white spiral graphic, resembling a stylized sun or a signal, is overlaid on the right side of the image, with its center near the horizon. Several horizontal white lines are also visible across the sky and the middle ground. In the lower-left corner, the text "Delivering at pace, managing uncertainty" is written in a bold, white, sans-serif font.

**Delivering at pace,
managing uncertainty**

Building network resilience at scale while strengthening supply chain security and climate risk response



New Christchurch facility strengthens resilience

- New \$32m, 8,000 m² facility in Christchurch.
- Doubling the coverage storage space of the existing facility.
- Improves operational efficiency, strengthens supply chain resilience to assist with mitigating global supply chain shocks.
- Enabled inventory holdings to increase in FY26 to support maintenance programme and improve resilience in the face of constraints from global turmoil.

Strengthening electricity resilience in Hawke's Bay and Tairāwhiti

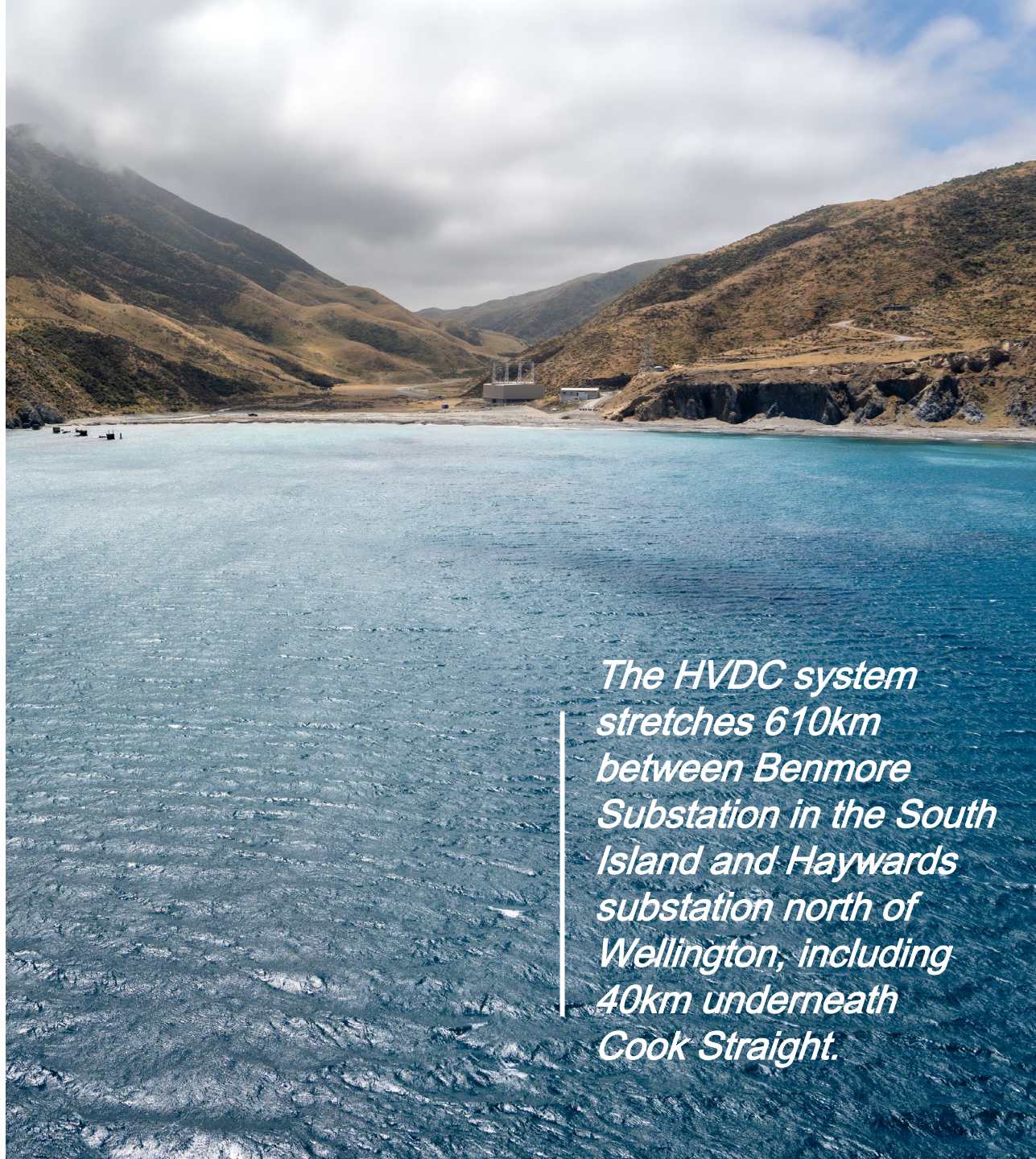
- Commerce Commission approved \$47m Redclyffe rebuild, strengthening electricity supply resilience and reliability for Hawke's Bay and Tairāwhiti.
- Next phase lifts key 220kV switchyard equipment above 1-in-450-year flood levels and improves earthquake resilience.

Reducing physical risk across critical transmission assets

- RCP4 includes ~ \$139m allowance for resilience works. Examples include:
 - strengthening substation resilience to flooding risks
 - mitigating risks for towers near rivers and for land instability
 - strengthening HVDC towers for high winds.

A \$1.15 billion investment to strengthen resilience and enable lowest-cost electricity

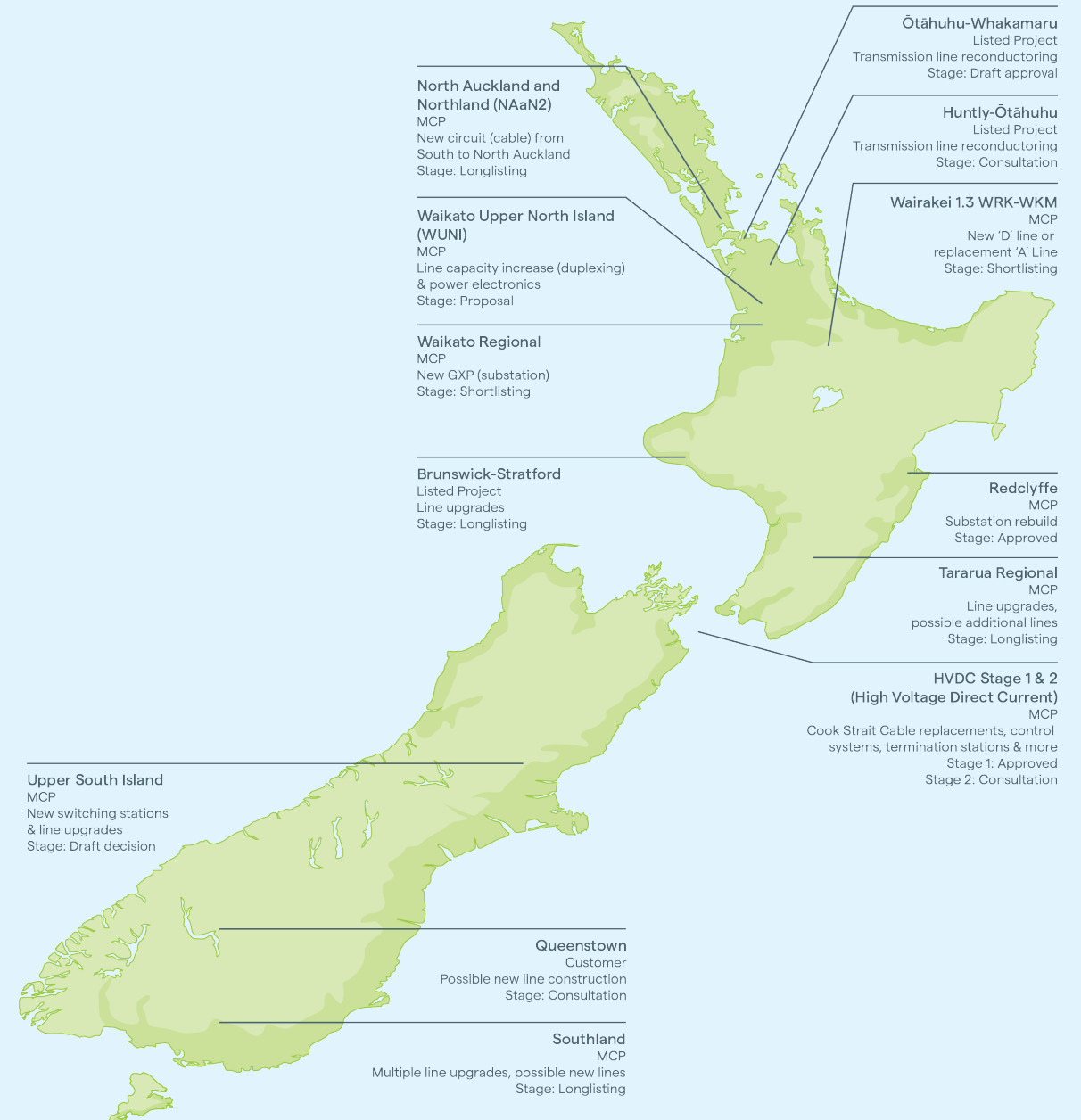
- Nationally critical asset that keeps power flowing between the North and South Islands.
- Current undersea cables were installed in 1991 and are approaching end of life.
- Commerce Commission has approved \$1.15 billion cost for upgrade project. The assets enable kiwis to access the lowest cost source of electricity, no matter where it is generated.
- Secured manufacturer to construct and lay the replacement cables in the early 2030s.
- Just last month the link ran at maximum load for the first time outside of testing, moving 1200 MW of electricity from the South to North Island driven by record demand and enabled by reserves support from North Island batteries.



The HVDC system stretches 610km between Benmore Substation in the South Island and Haywards substation north of Wellington, including 40km underneath Cook Strait.

Strengthening New Zealand's grid for growth

- Investments look to the future to ensure power will be available for homes, businesses and industry when, and where it's needed.
- Grid Investments include smaller 'listed' projects and Major Capital Proposals.
- More than 13 active major capital projects, with budgets exceeding \$30 million.
- Investments support existing grid by increasing capacity, easing constraints and increasing infrastructure resilience.
- The Te Kanapu Future Grid Blueprint will identify additional no regrets investments for the longer term.



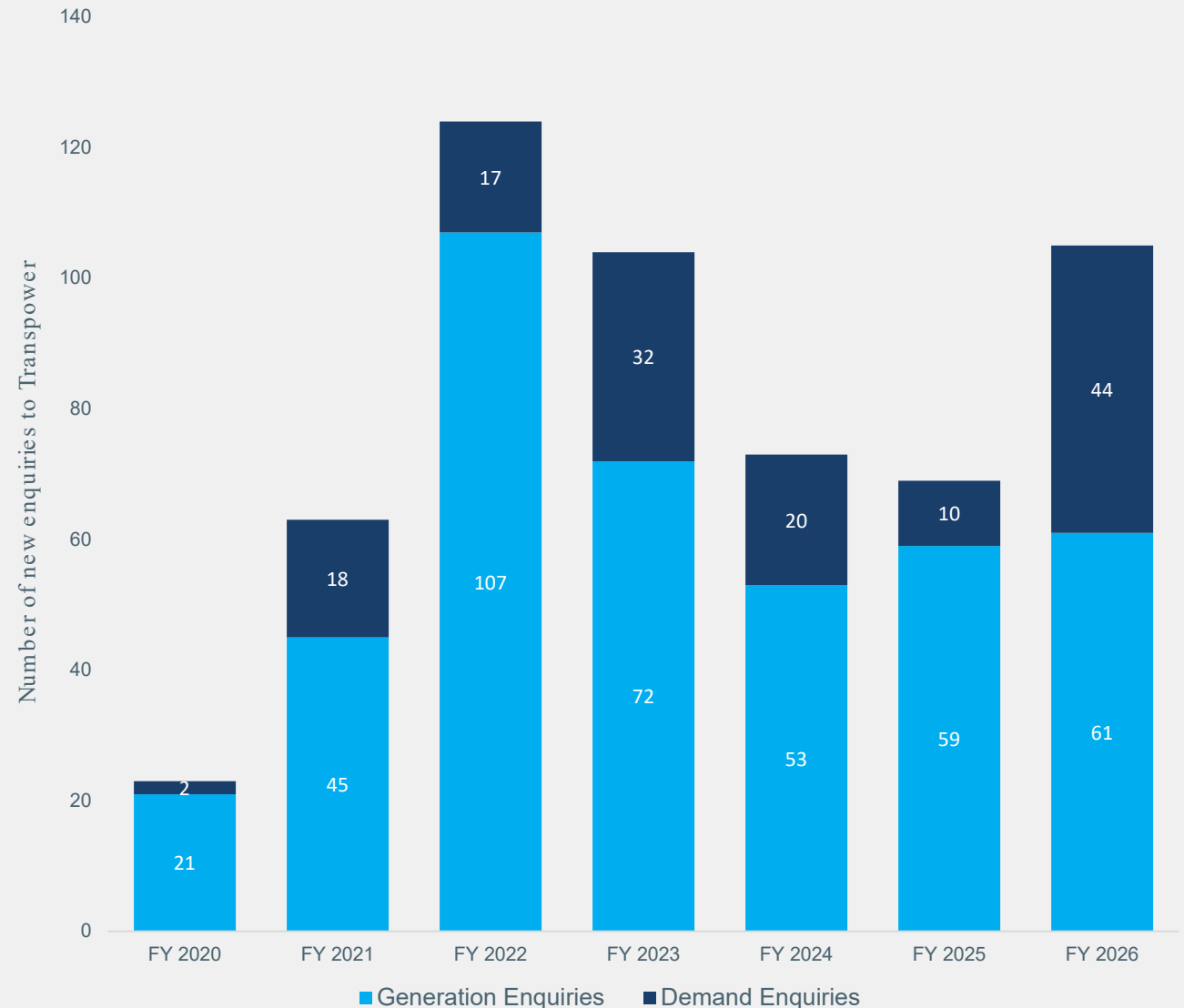
Electrification is driving a new wave of connection growth

Transpower will enable it

- Driven initially by generation enquiries which increased dramatically from FY20.
- Enquiries for grid connections from large load and new network capacity are increasing now, demonstrating electrification acceleration.
- With the fuel switch largely achieved based on committed and near-term investment, matching demand side to generation a clear opportunity.

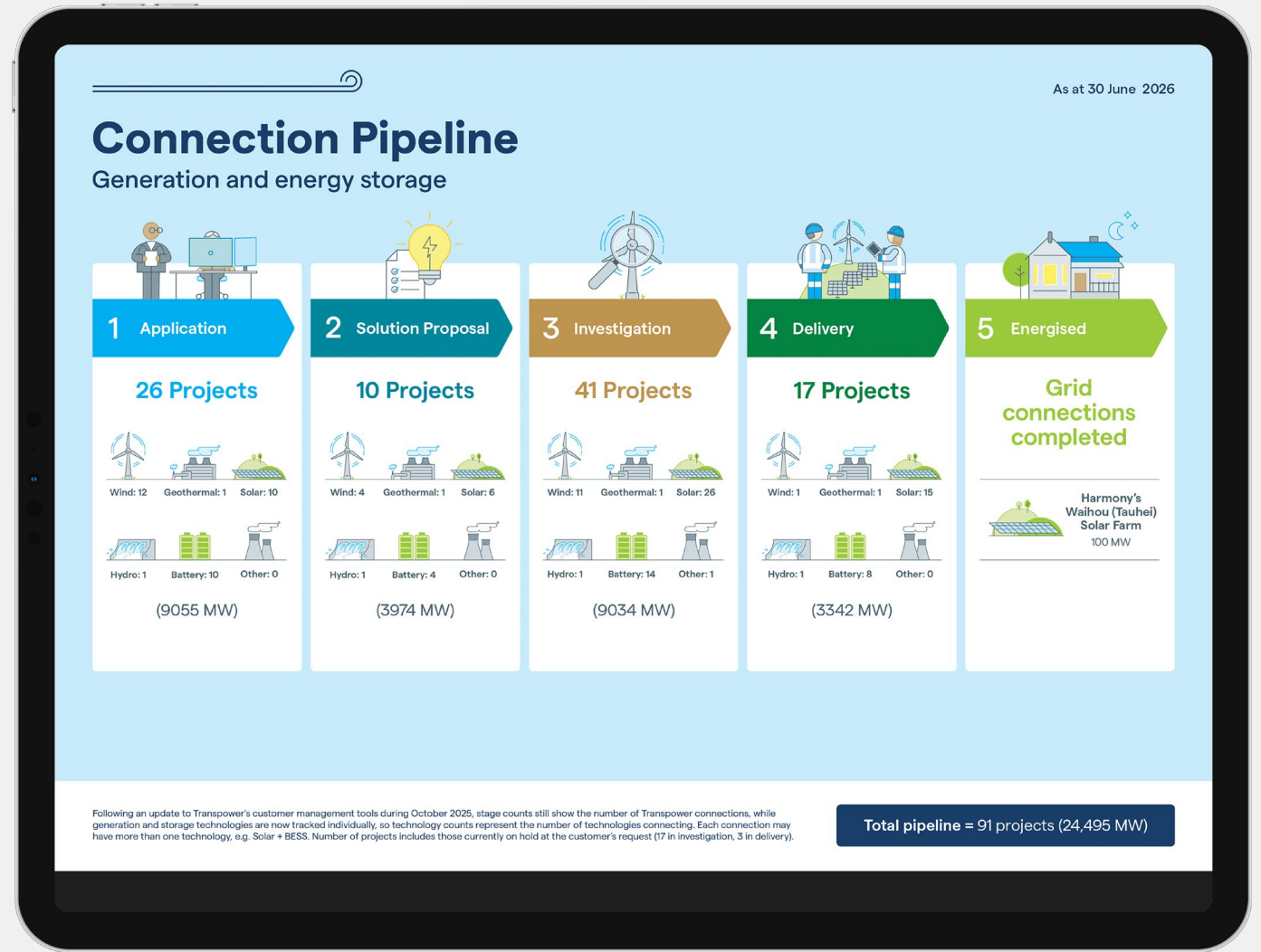
Initial enquiries for grid connections (note that FY2026 totals use an updated definition to align with the new Commerce Commission information disclosure requirements, the effect of which is a slight reduction)

Source: Transpower – [Connection enquiry information](#)



Accelerating higher -probability projects through sharper prioritisation

- Reduced wait times by agreeing scope early and advancing projects faster through the investigation stage.
- Independent reviews support our initiatives and benchmark us well against international comparators.
- Process assists with focusing efforts on those projects with a higher probability of FID.
- Our published reporting is showing projects getting towards the end of the investigation phase and slowing or pausing.



Demand side growth – large load connection enquiries

We're seeing major interest in electrification

- Industries (including dairy) are moving towards electrical process heat in place of gas and coal.
- Demand is also coming from new industries and population growth
- Across our industry, we need to continue to work at pace to build new generation and network capacity.
- Demand side pipeline prioritisation being considered to ensure our effort is focused on those most likely to construct and/or connect.

We're moving at pace

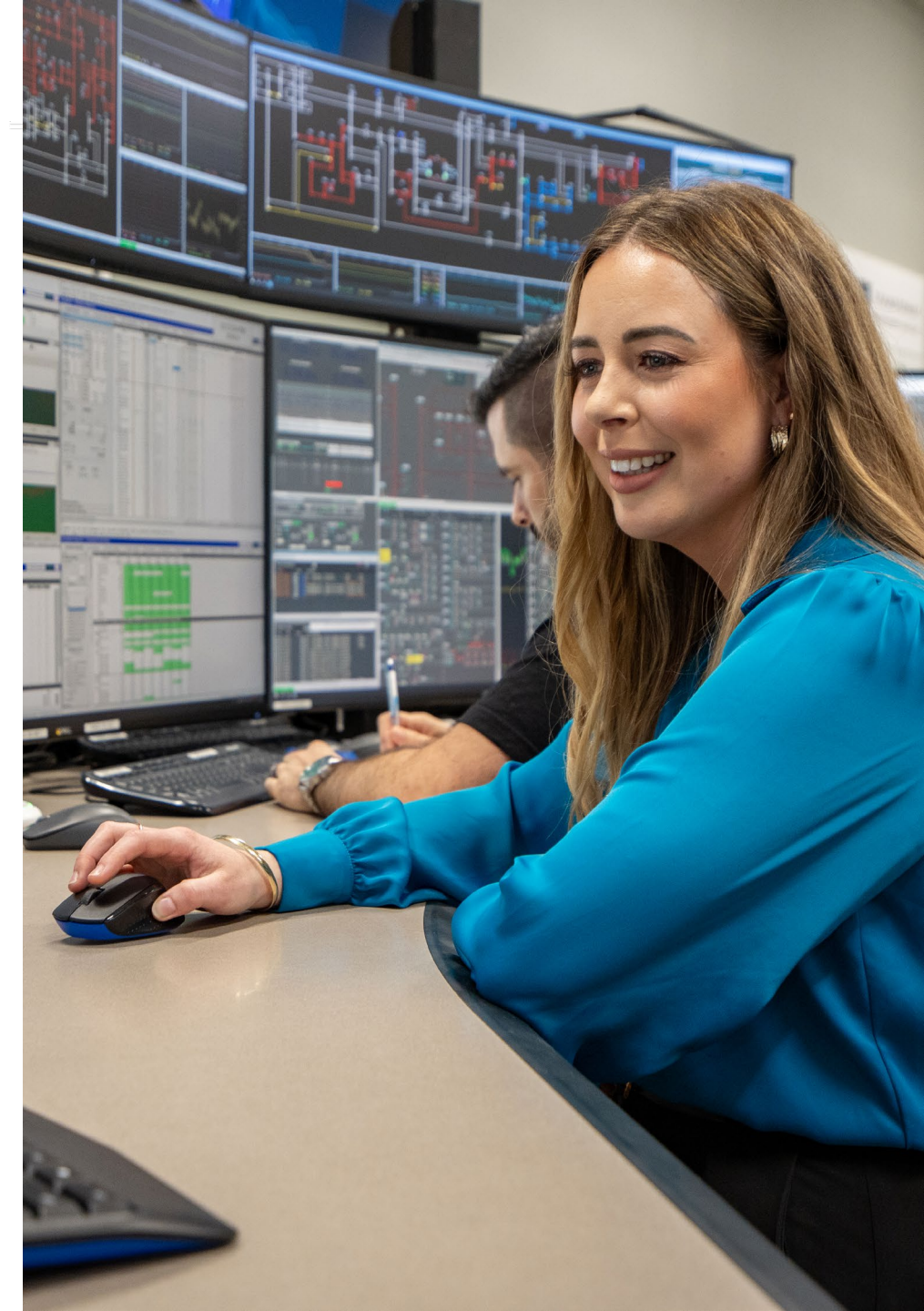
- First digital substation installed at Ohangai to support Fonterra's Whareroa site – in record time.
- Brownhill Pakuranga cable replacement – delivered ahead of time and under budget to secure Auckland and Northland's current and future electricity supply.



An electrode boiler, installed at Fonterra's Edendale plant in 2025

System Operator managing an increasingly complex system

- The System Operator (SO) balances demand and supply in real time, managing system stability and security of supply.
- This role is getting increasingly complex as the generation supply mix changes with increasingly inverter based, variable renewable generation connecting to the grid.
 - SO team has supported record level of commissioning activity – over 650 MW of new generation and batteries
 - Worked with the Electricity Authority and industry to establish the Connected Asset Commissioning, Testing and Information Standard (CACTIS), enabling the effective integration of inverter-based resources while maintaining power system security
 - Large load connection standards in development
 - Solar generation reached over 380 MW
 - Demand and large load connections increasing as pace of electrification quickens.
- Improved Security of Supply risk analysis and reporting to support industry investment.
- System Stability Information Paper – prioritised key system health roadmap to stay ahead of market changes.
- Lessons learned for NZ published after Chilean and Iberian outages.





Empowering New
Zealand's energy future

A refreshed System Operator Strategy

Working with stakeholders to navigate a complex transition

- A new strategy to articulate a clear set of whole of system priorities for our service over the next 10 years to ensure a stable system in the face of rapid change.
- Deep industry engagement has informed these priorities, designed to ensure NZ's power system is proactively managing a rapid transition.
- This ambitious strategy will require investment to ensure we can support and enable a secure, resilient, and affordable electricity system for all New Zealanders moving forward.
- Control room of the future programme accelerating training and tooling as part of this strategy.

PRIORITIES



Operating a secure, highly variable power system

Proactively manage system risk and limits to keep the power system secure and operable under increasingly complex conditions.



Efficient market operations and information provision

Efficient delivery of Authority market design. Inform development of future market design and security of supply framework to support the Authority's delivery of a competitive, reliable system.



Evolving operational capability

Develop a resilient, integrated System Operator capability leveraging AI and digital solutions, that scales with system complexity and leads operational practice across the sector.



Leveraging data and distributed resource integration

Enable secure whole of system operation through shared visibility, common standards and data, TSO-DSO coordination, so that DER/CER can integrate anywhere without undue operational risk.



Strengthening industry resilience

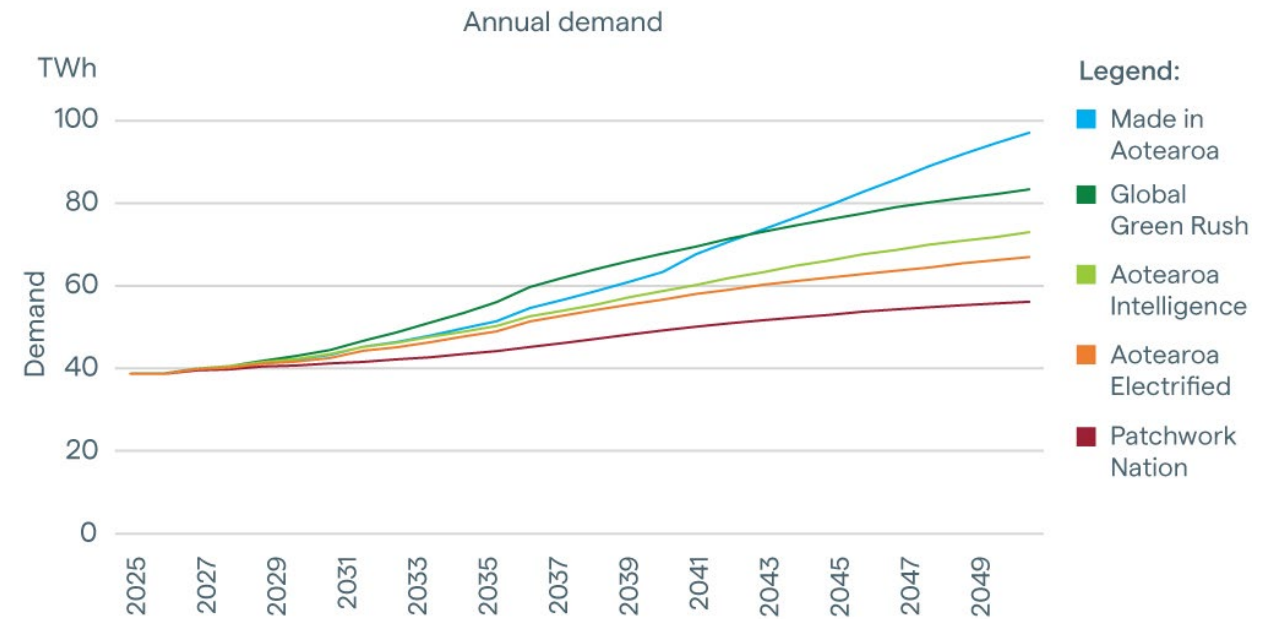
Strengthen industry preparedness, coordination and restoration response for unplanned outages, as event frequency and severity increases.

Planning ahead: Te Kanapu – our Grid Blueprint

Targeting a system that enables a growing New Zealand at least cost

- **The Blueprint** can support planning across the sector, including by investors, developers, and other decision makers.
- **Planning ahead:** developing a transmission Grid Blueprint now for a growing economy to 2050 and beyond.
- **Ambitious scenarios:** five futures built with the sector, industry, government agencies and the public – backing New Zealand's growth, each with rising demand.
- **Strong mandate:** stakeholders back the scenarios and endorse our approach – confident our long -term planning will support a more affordable, reliable and sustainable energy future.
- **Collaborative by design:** wide engagement – **300+** submissions, **150+** meetings, **25** major events – with feedback built into our work.

Comparison of scenario annual electricity demand by TWh in each year



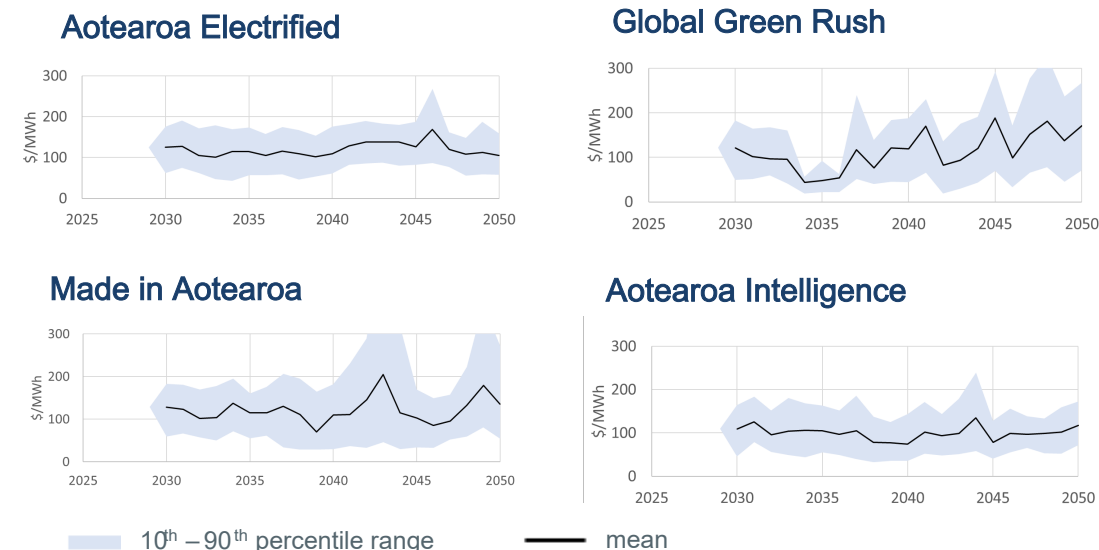
Demand rises 2025 -50 across five scenarios from **+42%** to **+146%**

Note : mid-range outcome below BEC, IEA, NESO, and McKinsey estimate and consistent with AEMO estimates.

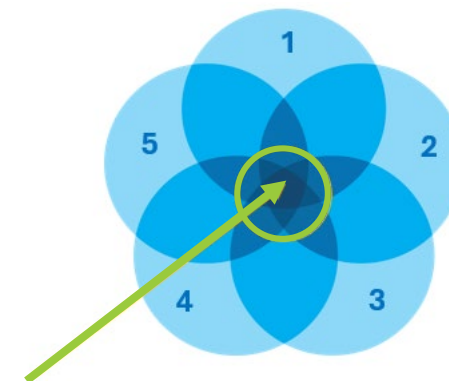
Five future scenarios for 2050

- **Least regrets:** Identifying the grid investments that hold up across all five scenarios, supporting economic growth and net zero.
- **Lower cost energy:** A stronger grid enables diverse generation across Aotearoa and lower future electricity costs.
- **Evidence based:** We test the benefits of grid build against the alternatives before we commit.
- **Long-term visibility:** The Grid Blueprint will direct our Major Capital Proposals and, where needed, supports regulatory and policy reform.
- **Next step:** Draft Grid Blueprint published in early 2027.
- **With a strong base** and abundant renewable resources, both grid and distributed, NZ is well placed to provide reliable, affordable electricity.
- **Transpower modelling** shows the annual mean price varies between \$90/MWh & \$130/MWh.

Forecast of wholesale electricity prices 2030 –2050
(four growth scenarios): ~\$115 MWh



Five Future Scenarios



Least regrets investments

– valid across our scenarios, not too late, and right sized for a growing economy.

A photograph of two young boys sitting at a dark table at night. The boy on the left is using a laptop, and the boy on the right is holding a tablet. They are both wearing light blue shirts. In the background, there are trees and a warm, orange glow from a sunset or sunrise. Overlaid on the image are several white, stylized digital wave lines that emanate from the laptop and tablet, suggesting connectivity and technology. The text "A secure and affordable transition" is written in white, sans-serif font in the bottom left corner.

**A secure and
affordable transition**

Focused on productivity and value



Challenges

Transpower response

Global supply chain pressures increasing lead times and cost

- Innovation programme identified \$53 million in savings to RCP4 capex with further initiatives underway
- Increased inventory holdings ahead of constrained pricing
- Supplier diversification, including new factory certification

Enabling electrification – Managing customer and pipeline growth

- Dedicated resourcing and early engagement on solution proposals driving target timeframes
- Active management of customer progress – those not ready not being resourced
- Board and executive focus driving improved customer service performance

Delivering RCP4 outcomes at least cost to consumers

- Innovation programme delivering cost savings
- Grid Operating Model review to ensure efficient Concept to Control Room workflow (post balance date)
- Pursuing non transmission solutions to defer or avoid grid investment for value

Keeping the lights on - balancing supply and demand and maintaining system stability as fuel mix changes – the true cost of electricity is when it is not there

- 8 out of 10 of New Zealand's highest peaks managed on the system without outages (post balance date)
- Service standards for grid and system operations met

Planning for growth and rapid change at least cost

- Te Kanapu Future Grid Blueprint and System Operator Strategy targeting least cost pathway
- TPM operational review to explore options
- Staging major capital projects to commit to no regrets elements first

A woman and two young girls are sitting together in a cozy room at night, looking at a tablet. The woman is smiling and looking at the screen, while the girls are also looking at it with interest. The room is dimly lit, with a warm glow from a lamp in the background. There are shelves with various items in the background, and a plant is visible on the right. The overall atmosphere is warm and intimate.

Financial performance and outlook

Financial performance summary

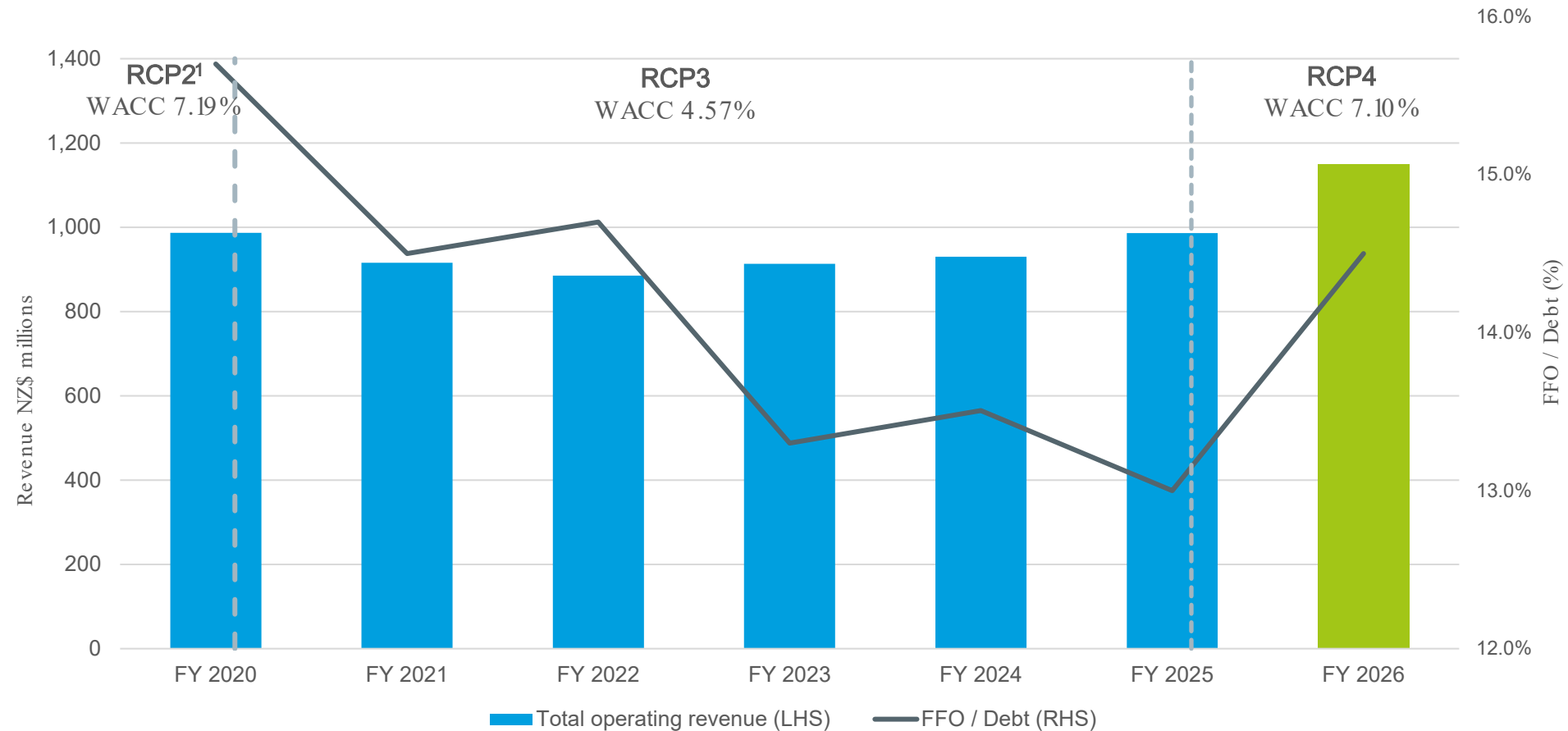
- Revenue increase driven by higher regulated transmission charges in first full year of RCP4.
- Operating expenses up primarily due to planned step changes in grid maintenance and workforce to deliver increased work programme along with our investment in Software as a Service technology.
- Net interest expense increased in line with the reset of hedging from start of RCP4.
- FY26 Grid maintenance and capital expenditure \$799 million (\$748 million FY25).

	FY26	FY25	%
Operating revenue	1,150	986	17%
Operating expenses	446	420	6%
EBITDAI ¹	704	566	24%
Depreciation, amortisation, asset write-offs and impairment	326	303	8%
Net interest expense	168	123	37%
Net profit before tax and change in Fair Value of Financial Instruments	210	140	50%
Net profit before tax	244	149	64%
Net profit	176	107	64%

Source: Transpower's Integrated Report 30 June 2026

¹Earnings Before Interest, Tax, Depreciation, Amortisation, Asset write-off, Impairment and fair Value of Financial Instruments

Revenue increased in RCP4 reflecting higher interest rates, cost escalations, and a growing asset base



¹ RCP = Regulatory Control Period

Source: Transpower

Service performance



Service Performance ¹		30 June		SCI target
		2026	2025	
Grid interruptions	Achieve collars for occurrence	5	6	≥ 4 out of 6
	Achieve collars for duration ²	5	6	≥ 4 out of 6
Grid availability	HVDC energy availability	98.22%	97.49%	> 96%
	Key HVAC assets availability	98.50%	97.31%	> 97.45%
	Achieve system operation targets	✓	✓	70%

¹ Our SCI target across grid interruptions and grid availability have been set at the quality standards set by the Commerce Commission.

² Subject to external assurance and may change.

Regulatory allowance increased in RCP4

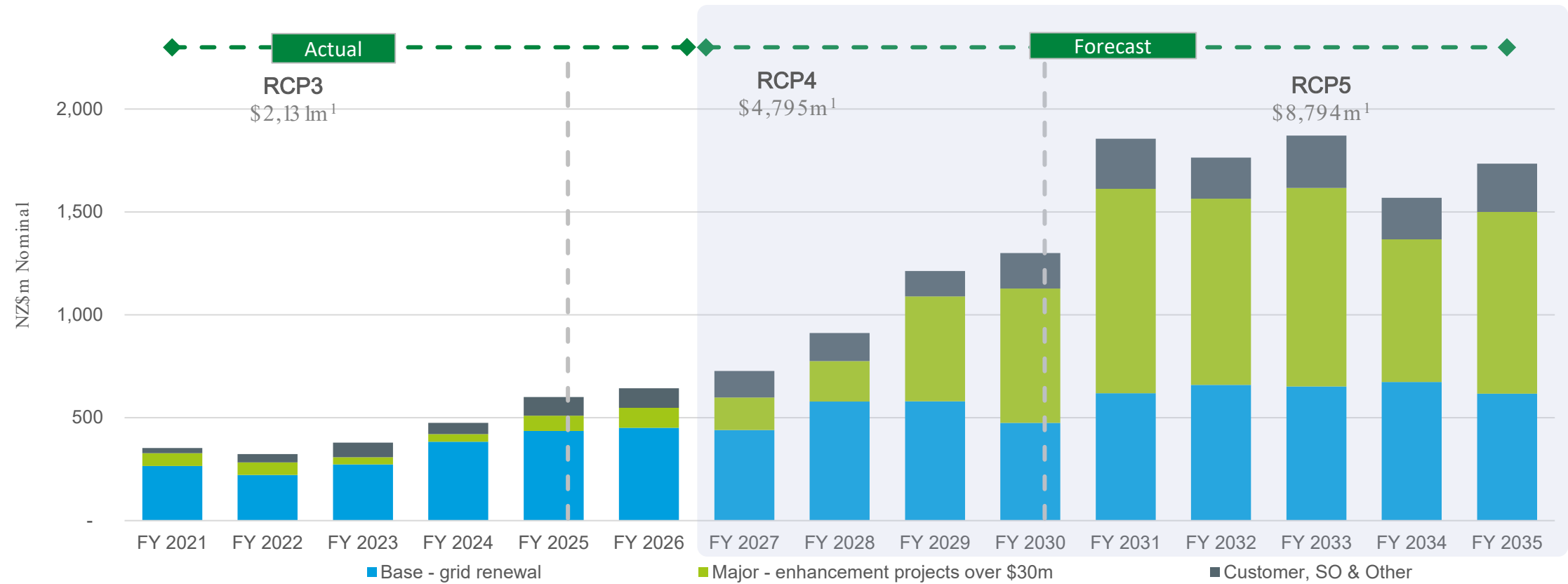
Commerce Commission approved expenditure allowances are higher in RCP4 to cover:

- increased refurbishment and replacement work programme
- maintaining growing asset base
- investing in technology and people necessary to deliver
- higher cost of purchasing high voltage transmission assets.

Gearing stable with capital expenditure funded out of retained earnings and debt.

(NZ\$ millions)	2025/26 Actual	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast
Operating revenue	1,150	1,305	1,394	1,494	1,561
Operating expenditure	446	499	508	501	515
EBITDAIF	704	806	887	993	1,055
Capital expenditure	667	727	912	1,213	1,301
Gearing (%)	67%	68%	67%	67%	67%

Capital Expenditure Forecast



¹ Approximate only as total's are based on closest financial years rather than exact regulatory period

Statement of Corporate Intent – financial performance targets

Our four key financial performance targets are focused on:

- Maintaining our credit rating
- Balance sheet strength
- Financial returns.

Measure	Target credit rating metric	2025/26 Actual	2026/27 Target	2027/28 Target	2028/29 Target
FFO to interest cover (x)	> 2.8x	3.9	3.6	3.8	3.7
FFO / debt (%)	> 9.5%	14.5	14.2	14.8	14.7
Return on Equity (%)	-	8.5	11.0	11.8	12.9
Return on capital employed (%)	-	4.4	5.7	6.2	6.9
Dividends and guidance	-	50	40	40	40

Source: Transpower [Statement of Corporate Intent 2026](#) (SCI)

Regulation update

- RCP4¹ commenced 1 April 2025 with WACC 7.10%.
- Regulated Asset Base (RAB) is ca. \$5.6 billion.
- The Commerce Commission has initiated a review ² of Input Methodologies (IMs) and the common cost of capital parameters for suppliers regulated under Part 4 of the Commerce Act.
- Draft decision was released 10 March 2026.
- Further consultation including the trailing cost of debt and Tax Adjusted Market Risk Premium (TAMRP) is underway with final decisions due by the end of 2027.
- Changes to the IMs, if any, would apply from 2030.
- An operational review of the Transmission Pricing Methodology is underway, which may result in changes to how costs are allocated to customers.



¹ Regulatory Control Period (RCP) 4 applies from 1 April 2025 to 31 March 2030.

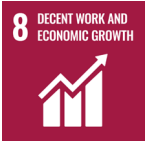
² Fibre Input Methodologies Review 2027: Issues Paper.



Sustainability

Sustainability Strategy

Our Sustainability Strategy FY27 is focused on improving sustainability of operations while driving long term change

Challenge Areas	Strategic Priorities	Initiative Focus Areas
Climate Change 	  	Emissions reduction programmes Deliver FY27 Scope 1 and 2 Emissions Reduction Programme (including SF6, EVs, PV, and HFCs) aligned to business priorities Deliver FY27 Scope 3 Emission Reduction Programme aligned to business priorities System resilience and climate transition Deliver Climate Adaptation Plan actions and monitor progress against agreed adaptation deliverables Deliver proactive FY27 resilience initiatives funded under RCP4 Deliver climate disclosure reporting, and monitor and respond to emissions and climate related risks and opportunities
Nature 		Nature and biodiversity Deliver biodiversity initiatives and baseline nature data roadmap improvements, supporting business priorities and enabling regulatory obligations
Business Sustainability 		Modern slavery Develop and implement refreshed modern slavery risk management framework

Our carbon footprint – GHG emissions

- Total FY26 emissions calculated at 147,903 tCO₂e¹.
- Decrease of 76,453 tCO₂e from FY25.
- Scope 2 emissions lower from reduction in transmission losses.
- Additional detail can be found in our [FY26 Integrated Report on our website](#).

Target type	Strategic outcome	FY2021 Baseline (tCO ₂ e)	Goal (tCO ₂ e)	On track?
Scope 1 and 2 short-term	Achieve a 44% reduction by FY2030	6,154	3,484	No
Scope 1 and 2 long-term	Net-zero by FY2040	202,698	20,270	Yes
Scope 3 short-term	Less than a 64% increase by FY2030	37,837	58,643	No
Scope 3 long-term	Net-zero by FY2050	37,837	3,784	No
Overall short-term	15% decrease of Scope 1, 2 & 3 by FY2030	240,536	204,455	Yes

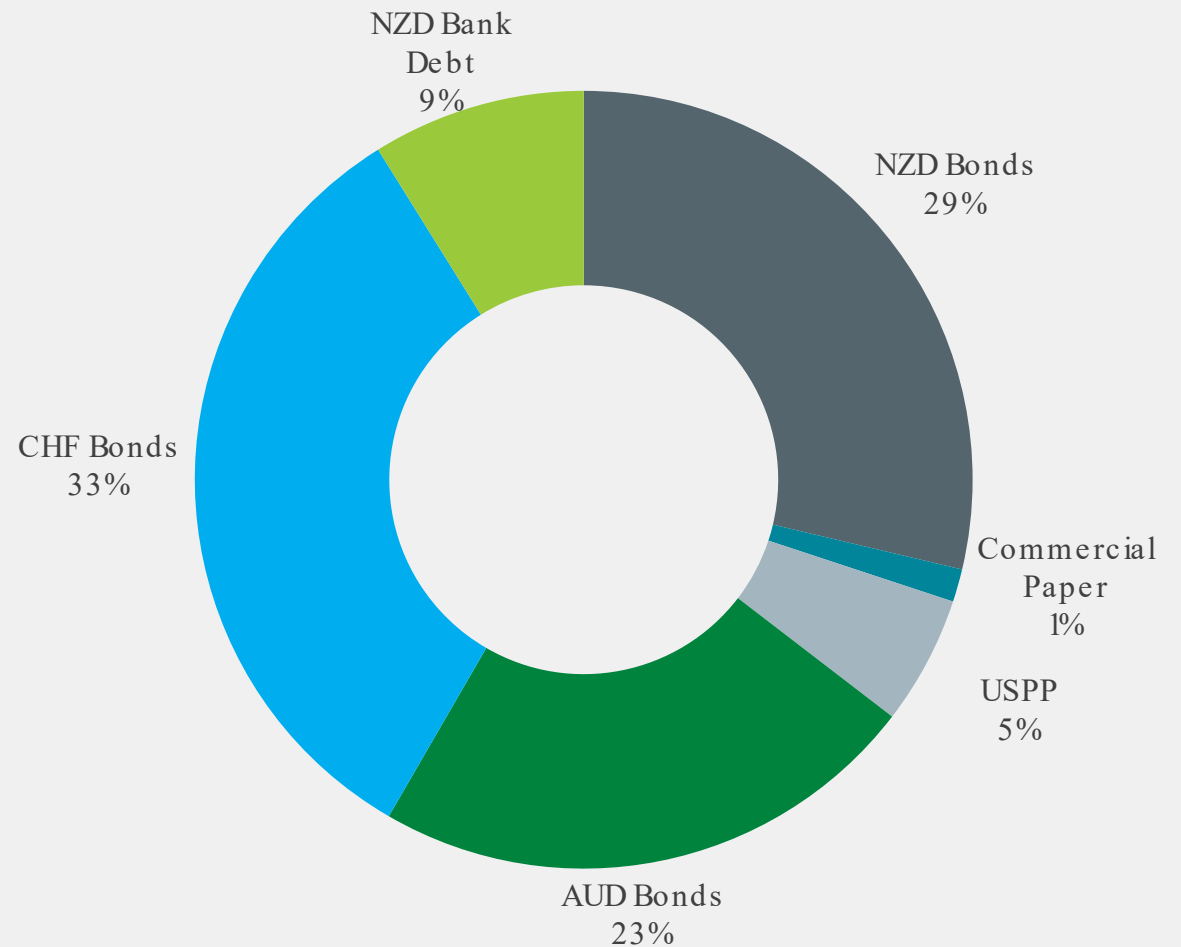
¹ Tonnes of carbon dioxide equivalent



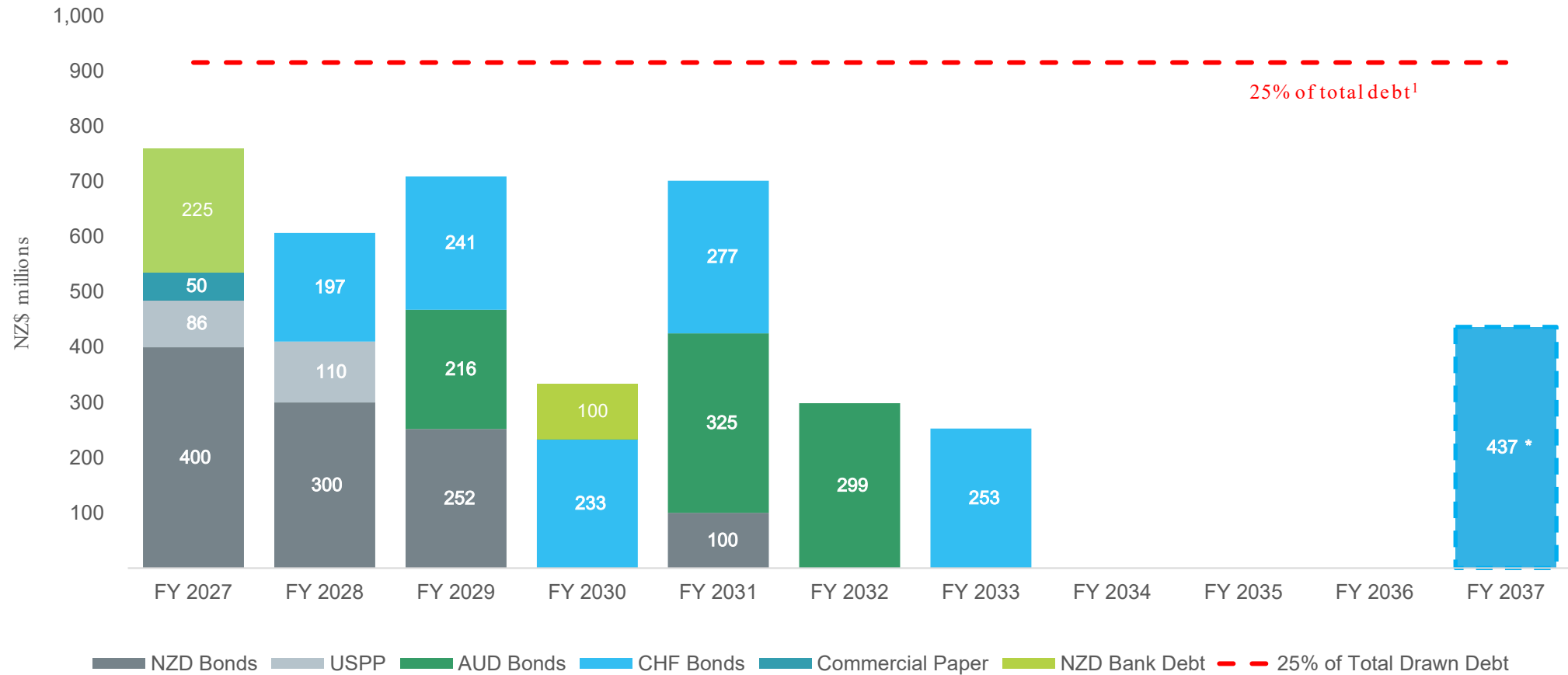
Funding

Funding (as of 30 June 2026)

- Multiple sources of funding
 - Diversified global investor base
 - Long history in offshore markets including CHF
 - All debt swapped back into NZ\$.
- All certified Green Bonds/Notes.
- NZ\$3.7 billion face value of drawn debt as at June 2026
 - Diversified maturity profile
 - Low near-term refinancing risk.
- Leverage of ca. 67%.
- Interest rate risk managed to RCPs.



Debt Maturity Profile



Source: Transpower – June 2026

*includes CHF Bond issued on 21st July 2026

¹Policy Maximum maturities in any 12-month period unless Board approved higher.

A landscape photograph featuring a winding asphalt road on a grassy hill. In the background, two large metal power line towers are visible against a clear blue sky with wispy clouds. A cluster of dark green trees stands on a small rise to the left. A white spiral graphic, resembling a stylized sun or a signal, is overlaid on the right side of the image. The word "Questions" is written in white text in the bottom left corner.

Questions



Other Information

Transpower website / Investor centre

- [Investor Page](#)
- [Green Financing Framework & Reporting](#)
- [Investor Presentations](#)
- [Annual Reports and Half Year Reports](#)
- [Statement of Corporate Intent \(SCI\)](#)
- [Publications, Webcasts & Resources](#)

NZX Debt Market (NZDX)

<https://www.nzx.com/companies/TRP>

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Appendices



SoSA at a glance

Security of Supply Assessment (SOSA) 2026 – At a glance

1. What is the SOSA?

- Assess three security margins over the next 10 years and compares against the security standards
- Standards represent an efficient range – Expected cost of shortage equals cost of reserve resources
- Increased shortage risk (cost) and stronger signal for efficient investment the further margins drop below the standard.
- New Zealand Winter Energy Margin - Do we have enough national energy to get through dry winters? [Standards: 14% to 16%]
- South Island Winter Energy Margin - Can the South Island meet its dry winter energy needs, given both supply and inter-island transfer limits? [Standards: 25.5% to 30%]
- North Island Winter Capacity Margin - Do we have enough North Island generation and South Island contribution via the HVDC to meet North Island peak winter demand including reserves? [Standards: 630 MW to 780 MW]

2. How do we assess the margins?

- Survey participants and investors on future pipeline projects
- Forecast electricity demand for next 10 years
- Consult on assumptions and sensitivities to key inputs
- Use Security Standards Assumptions Document which specifies the methodology and some key assumptions
- Develop other inputs and assumptions as required (eg. gas forecasts, coal estimates, plant availability)
- Assess margins for Reference case (●), Expected Future case (●) and sensitivities (●)

3. Key findings from SOSA 2026

New Zealand Winter Energy Margin (NZ-WEM)	
● ● ● Short-term (2026-2028)	Adequate but risk-sensitive: Dry year energy margins above standards if projects are delivered on-time but fall below the lower standard if gas supply is lower than expected. Project delays, low thermal support, high demand, or weak renewable output increase risks of margins falling below standards. Deliver projects on time and add flexible supply to reduce risks. Margins for Expected Future case drops below the standards by 2028.
● ● ● Mid-term (2029-2031)	Emerging energy gap in 2030s: Dry year margins dip below the standard by 2031 with consented projects, with lower gas bringing this forward. Risks from delays, reduced thermal support, high demand and weak renewables increase exposure, requiring additional project delivery, ensuring thermal generation availability and developing a more diverse supply pipeline. Additional gas from LNG in the Expected Future case can help keep margins above standards.
● ● ● Long-term (2032-2035)	Pipeline-dependent adequacy: Dry-year margins stay above the standard only if future pipeline delivered, but strong demand growth and weaker thermal, gas, or renewables can still drive shortfalls by ~2035. Reducing dry year risk requires expanding and diversifying the future pipeline, with less reliance on weather-dependent generation.
South Island Winter Energy Margin (SI-WEM)	
● ● ● Short-term (2026-2028)	Strong but adequacy sensitive to risks: Dry year energy margins remain above the standard under expected conditions with committed project delivery. Delays, reduced thermal support, higher demand, or very low gas can drive margins to fall below the standards by 2027–2028, so timely delivery and firm backup are critical.
● ● ● Mid-term (2029-2031)	Adequate but exposed to risks: Dry year energy margins remain above the standard if committed and consented projects proceed on-time but can still fall below the lower standard if gas supply is lower than expected. If new supply projects are delayed or if demand is higher and gas, thermal, or renewables underperform then shortfalls emerge. Expanding and diversifying supply is key.
● ● ● Long-term (2032-2035)	Robust but demand-sensitive adequacy: Dry year energy margins remain above the standard if committed, consented and unconsented projects are delivered. Strong demand growth with weaker gas, thermal, or renewables can still erode margins, so expanding the future project pipeline is key to manage this risk.
North Island Winter Capacity Margin (NI-WCM)	
● ● ● Short-term (2026-2028)	Adequate but capacity risks exist: Capacity margins remain above the standard in the short term with committed projects. Peak risks from low wind and limited thermal support and delayed project delivery.
● ● ● Mid-term (2029-2031)	Build-dependent capacity margins: Capacity margins improving if committed and consented projects proceed but fall below by ~2029 if they don't. Weaker gas supplies, and operational coordination issues can increase risks. Timely delivery of flexible peak capacity is needed with additional flexibility reducing risks
● ● ● Long-term (2032-2035)	Enduring peak capacity risk: Capacity margins remain above the standards if committed, consented and unconsented projects are delivered. Operational in managing intermittent generation with inflexible generation mean peak risks persist, so expanding flexible, fast-response resources is critical.

Overall implication: Maintaining security of supply over the next decade requires strong delivery discipline, earlier commitment of additional consent ready projects in the short and mid-term to reduce downside risks, ensuring thermal generation and fuel availability and active development of a more diverse and flexible future pipeline.

Regulatory Control Period 4

RCP4 Outcome

Capex
\$2.5b
(RCP3 = \$1.4b)

Opex
\$2.25b
(RCP3 = \$1.5b)

Totex
\$4.75b
(RCP3 = \$2.9b)

Revenue
\$6b
Over 5 years
(RCP3 = \$4b)

WACC¹
7.1%
(RCP3 = 4.57%)

All numbers are nominal.

¹ Vanilla weighted average cost of capital.

Credit rating summary

S&P Global Ratings – Key Criteria and Assessments

Issuer Credit Rating:	AA (stable)
Business risk:	Excellent
Financial risk:	Intermediate
- Country risk: - Industry risk: - Competitive position: - Cash flow/Leverage:	Low Very low Excellent Intermediate
Stand-alone credit profile:	a
Related government rating:	AAA (stable)
Likelihood of government support:	Very high (+3 notches from SACP)

Determining A GRE's Issuer Credit Rating: Very High (VH) Likelihood Of Support

Government's local currency rating			
SACP	AAA	AA+	AA
aaa	AAA		
aa+	AAA	AA+	
aa	AAA	AA+	AA
aa-	AA+	AA+	AA
a+	AA	AA	AA
a	AA	AA-	AA-
a-	AA	AA-	A+
bbb+	AA-	AA-	A+
bbb	A+	A+	A+
bbb-	A	A	A

Source: S&P Global Ratings, Research Update: Transpower New Zealand Limited, August 21, 2026
& [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#)

Summary financials

Financial performance (NZ\$ million)	FY June 2022	FY June 2023	FY June 2024	FY June 2025	FY June 2026
Total operating revenue	885	913	930	986	1,150
Total operating expenses	(311)	(362)	(385)	(420)	(446)
EBITDAI [†]	574	551	545	566	704
Net profit before tax	231	174	172	149	244
Net profit	167	127	90	107	176

Cash flow (NZ\$ million)	FY June 2022	FY June 2023	FY June 2024	FY June 2025	FY June 2026
Net cash from operations	485	438	443	490	524
Net cash from investments	(279)	(342)	(478)	(596)	(658)
Net cash from financing	(378)	242	(243)	661	(165)
Closing net cash carried forward	58	396	118	673	374

[†]Earnings Before Interest, Tax, Depreciation Amortisations and asset write-offs, Impairment and changes in Fair value of financial instruments

Source: Transpower's Audited Full Year Financial Statements

Summary financials (continued)

Financial position (NZ\$ million)	FY June 2022	FY June 2023	FY June 2024	FY June 2025	FY June 2026
Total assets employed	6,055	6,417	6,271	7,210	7,515
Total liabilities	4,196	4,570	4,537	5,571	5,809
Total equity	1,859	1,847	1,734	1,639	1,706

Source: Transpower's Audited Full Year Financial Statements

Glossary/key definitions



Crown	The New Zealand Government, or State
EA	Electricity Authority
FFO	Free Funds from Operations
GHG	Green House Gas
Grid	National Transmission Grid
GWh	Gigawatt hours - unit of power equal to one billion watt hours
HVAC	High Voltage Alternating Current (usual electrical system current)
HVDC	High Voltage Direct Current (used for high voltage transfer over long distances to reduce losses)
MAR	Maximum Allowable Revenue
MCP	Major Capital Project
MW	Mega Watt - unit of power equal to one million watts
RAB	Regulated Asset Base
RCP	Regulatory Control Period – Five-year periods, RCP4 started 1 April 2025, RCP5 commences 1 April 2030
SO	System Operator
TPM	Transmission Pricing Methodology
TWh	Terawatt hours - unit of power equal to one trillion watt hours
WACC	Weighted Average Cost of Capital