

31 August: Update on wholesale market competition review

The Electricity Authority is currently working through its review into competition in the wholesale market for the period 2018 to early 2021, including analysis of spot and forward prices.

The Authority notes MEUG's Economic Profit Analysis of Meridian Energy's last 20 financial years released last week and their comment that their analysis would assist the Authority with its wholesale market review.

The Authority's review is progressing at pace, with its findings being considered by the Authority's Board in September and subsequently publicly released. The Authority will be publishing the review and an issues paper – both of which will be available to stakeholders for consultation. We encourage MEUG and other interested parties to participate in that consultation process.

The Authority's review applies to every large gentailer in New Zealand - not just Meridian - and compares all relevant businesses to determine if there is a market issue that needs to be addressed. It also looks at key events, for example the 2018 Pohokura outage, the conclusion of negotiations of the contract for supply at Tiwai and the 2021 dry year event, which have coincided with elevated wholesale prices for extended periods.