Waikato Affordable Energy Webinar Series

June-November 2026

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Harvey Brookes
Executive Director
Wellbeing Waikato

Reflections: Ernie Newman, Independent Competition Expert and Commentator

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Independent Charitable Trust focused on:

- Regional intelligence about what's most important to households and whanau
- Identifying emerging risks early
- Surfacing underlying drivers, not just symptoms
- Convening government, iwi, councils, community organisations and the private sector around decision-useful insights.

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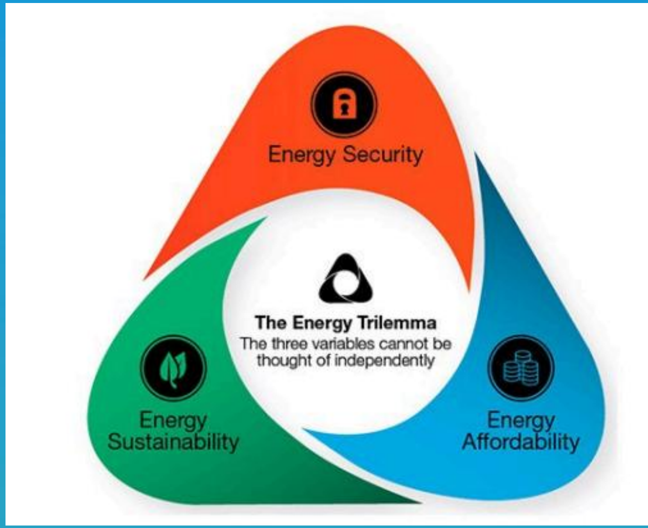
Energy systems need to be:

- Affordable
- Reliable
- Sustainable



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4 Big Questions

1. How does the electricity system actually work—and why is it designed this way?

2. What drives power prices, and how could they be made more affordable?

3. How does energy affordability affect household and community wellbeing?

4. What would a better system look like—and how do we get there?

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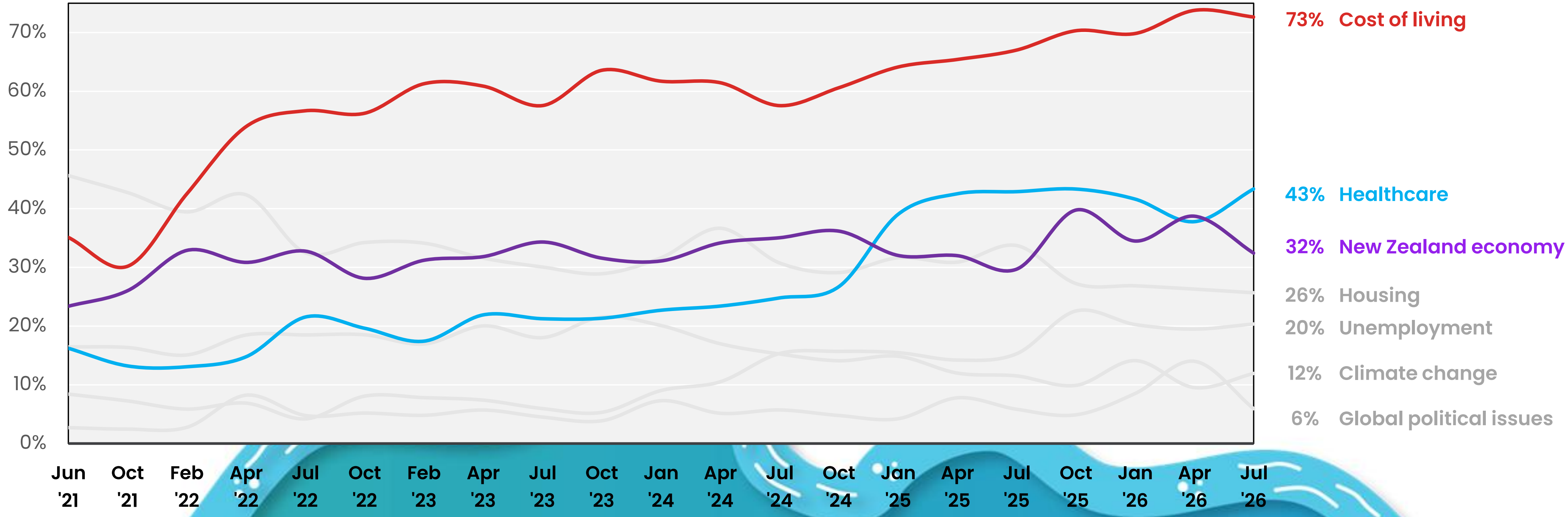
Consumer NZ: Cost of living remains the top concern, as economic worries ease and healthcare climbs

Most concerning issues New Zealand is currently facing



Source: Consumer NZ Sentiment Tracker. Q. Which three of the following do you believe are the most urgent or concerning issues for New Zealand right now? Please select up to three.
Results show the proportion who selected each issue in their top three. Not all issues are shown.

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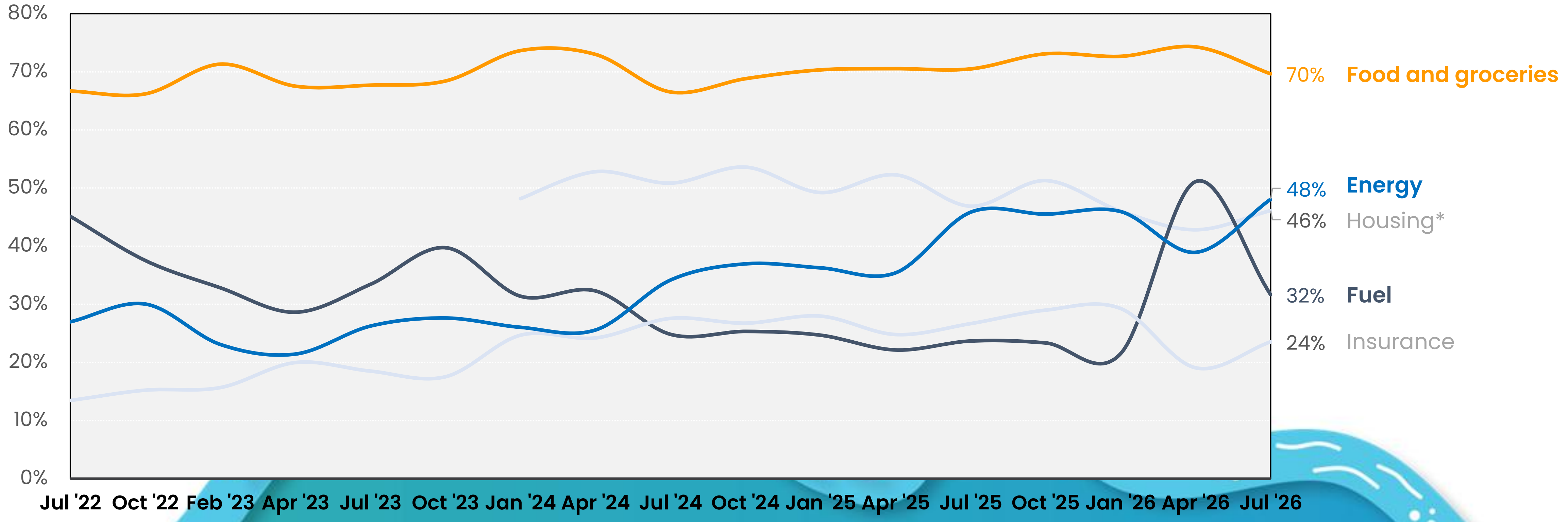
Consumer NZ: Groceries remain the biggest pressure, energy hit a new winter high, and fuel concern falls sharply from April's spike

Biggest financial concerns over the next 12 months
(Prevalence: % who ranked each concern in the top three)



Source: Consumer NZ Sentiment Tracker. Q. Which of the following expenses are your biggest financial concerns over the next 12 months? Please rank up to three options.
Results show the proportion who ranked each expense in their top three. Note: methodology changed in January 2024. Not all financial concerns are shown.

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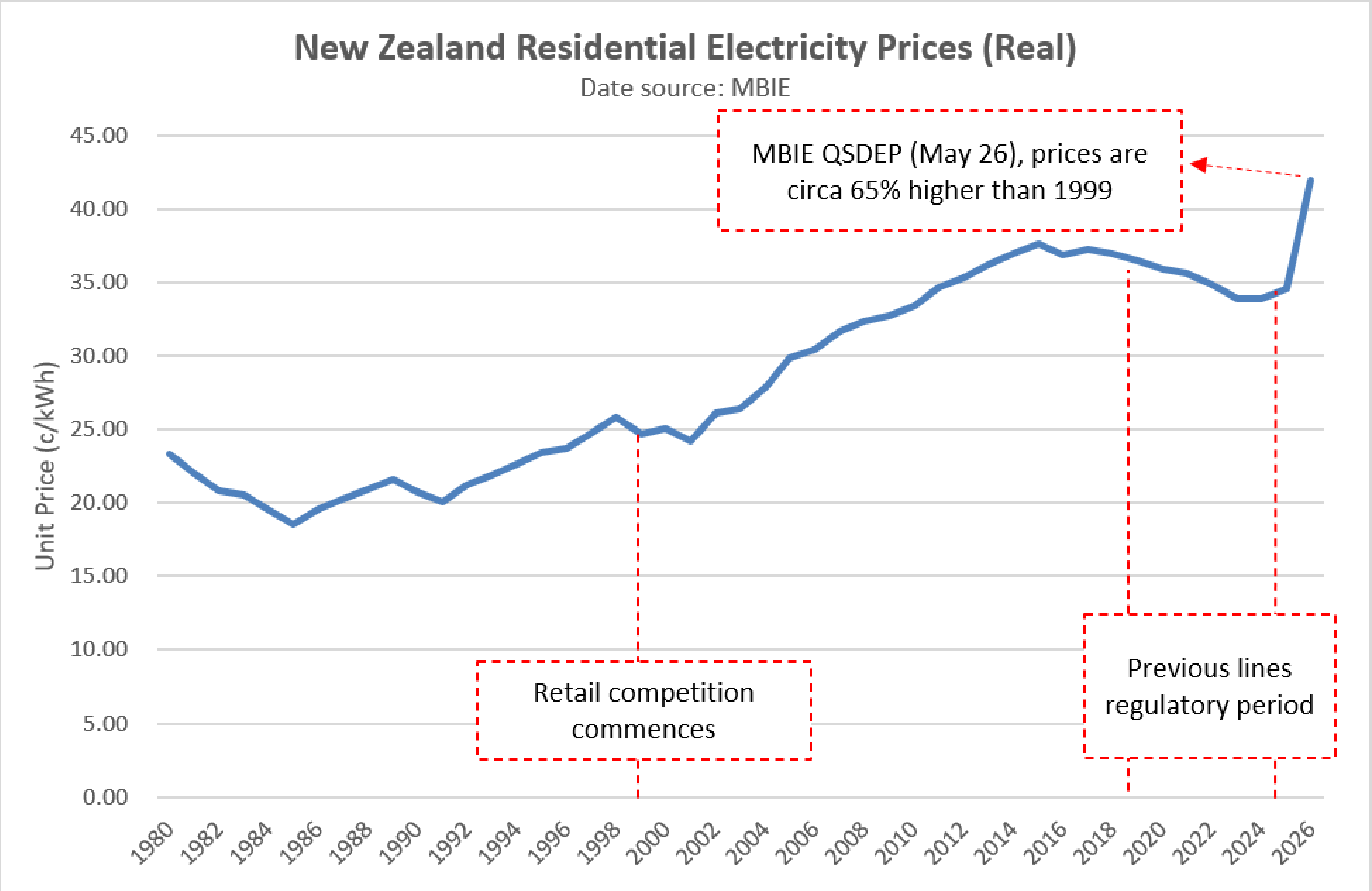

Source: MBIE

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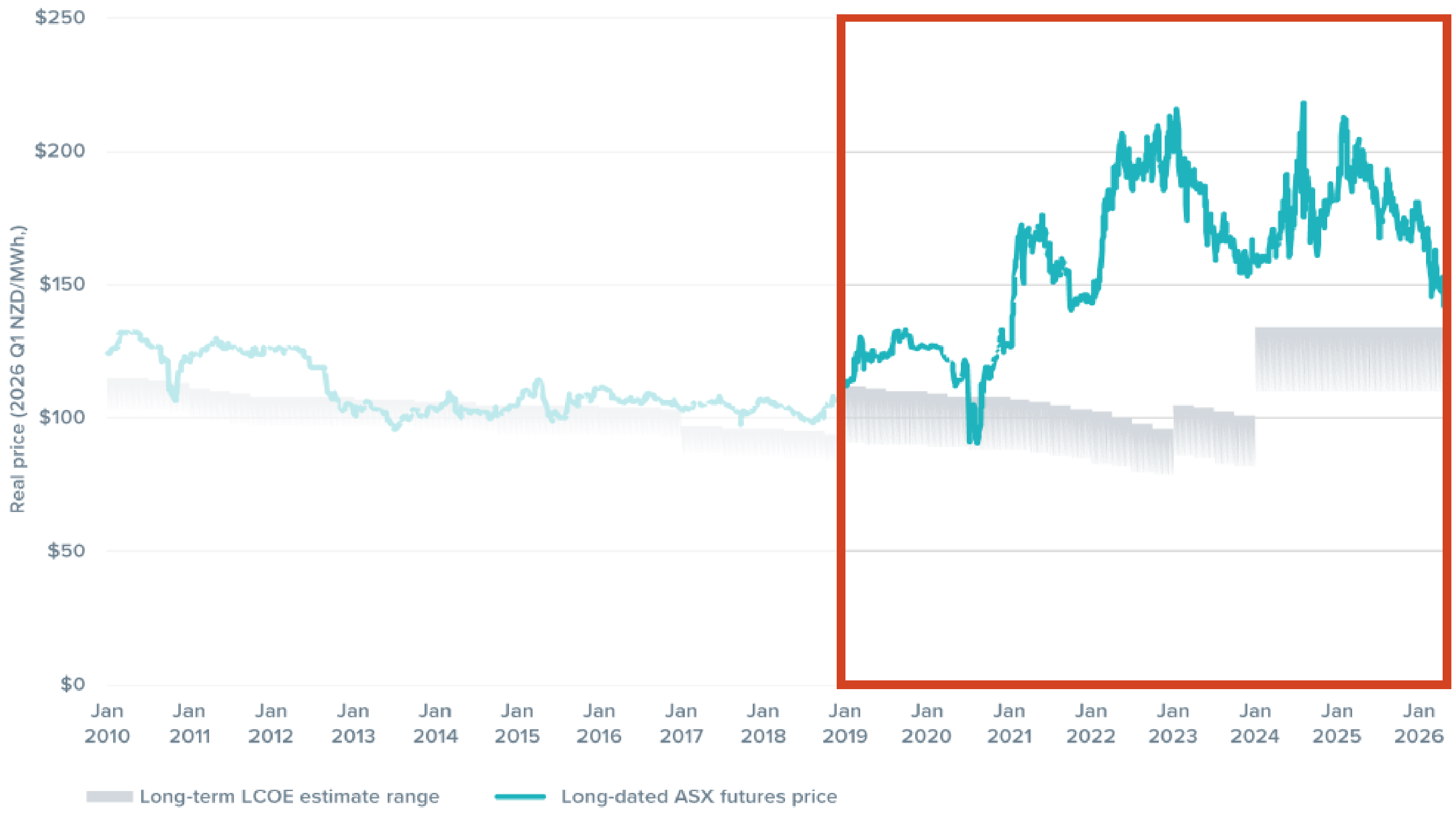
How have prices been tracking costs?

Starting in 2019, prices have been stubbornly high

Long-dated ASX futures prices relative to the cost to build and operate new generation



Prices for electricity have been well above costs to build and operate

What's been going on?

Source: Chart recreated from futures contract price data and long-run LCOE estimates published by the Electricity Authority. Futures prices and LCOE estimates are inflation-adjusted using Stats NZ's CPI.

Source: Infrastructure Commission report: Shifting currents - Energy infrastructure in transition, June 2026

Mercury profit jumps to $321 million as its boss promises smaller power price rises

August 18, 2026

Mercury Energy has reported a net profit of $321 million for the year to 30 June 2026, up from just $1 million the year before, and its chief executive has told analysts the company expects residential power price rises to sit at or below inflation over the next few years.

The result, released to the NZX on Tuesday morning, was driven largely by water. Strong
inflows into the Waikato catchment lifted Mercury's hydro generation by 31 percent, and
total output across it ... geothermal and wind fleet rose to 9,070 gigawatt hours from
7,906 the year befor ... the electricity companies prefer to be
judged on, reached ... the measure ... million on the previous year.
Revenue fell to $3 ... lets a generator
earn more while

News / Business 26 February 2026, 9:10am

Is it fair that prices rise as power companies bank profits?

Susan Edmunds
Money Correspondent

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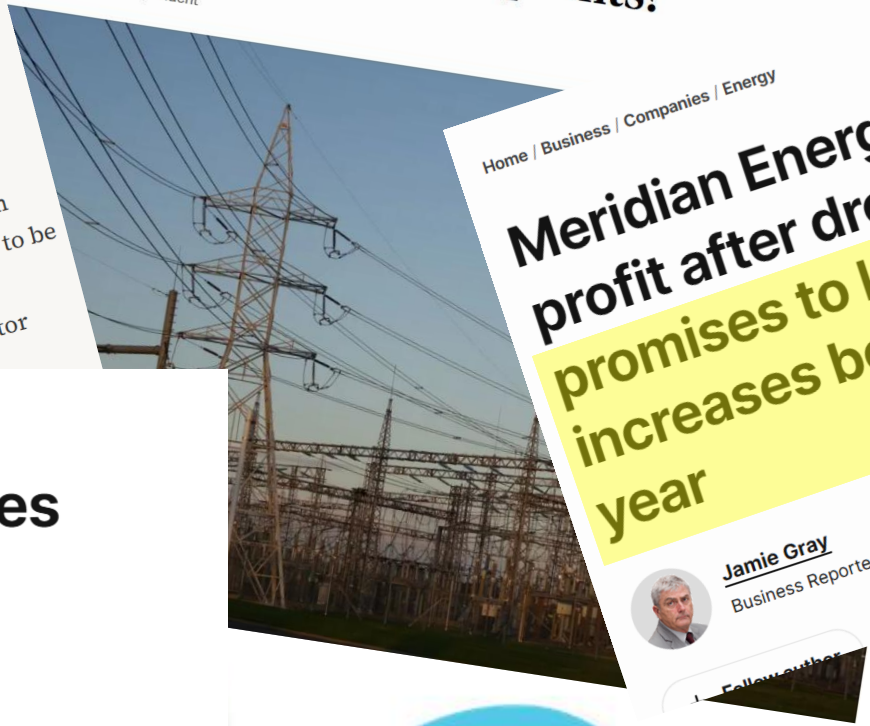

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Meridian Energy returns to $130m profit after drought-hit loss, promises to keep energy price increases below inflation in coming year

Jamie Gray
Business Reporter · NZ Herald · 26 Aug, 2026 09:25 AM · 3 mins to read

Home / New Zealand

Genesis Energy announces record profits

NZ Herald
24 Feb, 2026 07:09 AM

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Unleashing New Zealand's Power

Barney Irvine
Irvine and Partners
Northern Infrastructure Forum

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Unleashing

New Zealand Power

A two-step plan to fix the energy market and drive transformative economic growth.

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Presentation to Wellbeing Waikato Affordable Energy Webinar

2 September 2026

Updated Action Plan

Practical and implementable

Deals with the big rocks

A once-in-a-generation opportunity for economic transformation

Transpower "Made in Aotearoa" scenario: 20-TWh increase in supply unlocks $30-bn boost to GDP

Structural issues

1 Concentration in the generation market

The four gentailers control 85% of New Zealand's generation, 95% of firming capacity

Portfolio disbenefit: Investment in new supply reduces wholesale prices, eroding the value of the existing gentailer portfolio.

Gentailer incentive: Build enough new generation to maintain security of supply, keep prices around the cost of new entry, but not to drive wholesale prices down.

Self-firming: Gentailers able to self-firm their own intermittent projects; independent generators and retailers rely on gentailers for firming.

Gentailer incentive: Decline or delay firming, or price it out of an independent's reach.

Without access to firming, independents unable to secure revenue certainty, or reach financial close.

2 Vertical integration

A gentailer's generation arm and retail arm act as a single integrated business.

Underdeveloped contracts market: Gentailers self-supply hedging requirements internally, at prices no one can see.

Gentailer incentive: No incentive to trade in the open market.

Contracts market remains shallow and illiquid; independent retailers shut out of the market.

Market outcome: Scarcity of supply; elevated prices.

Step 1: Operational separation

Primary purpose: Unlock competition in the contracts market

Structure

GenCo + RetailCo (under HoldCo)

Governance

Separate boards, exec teams, decision-making

Trading

RetailCo publishes hedging requirements to the market; GenCo may bid to supply, but only on same terms it offers other buyers

Contracts market

Becomes deeper, more liquid, more transparent

Enforcement and escalation

If market does not deepen materially in set period of time, EA escalates to review of whether structural separation required

Step 2: LTESA for Generation

Primary purpose: Help independent projects get to financial close without reliance on firming

Long-Term Energy Supply Agreement between new-generation project and Crown-backed counterparty; essentially = revenue support mechanism

Each year, project has the option to sell all or part of its generation at a competitively bid fixed price

Project free to not exercise option, and use other arrangements (e.g., PPAs) when preferable

Based on similar approaches in Aus (NSW)

Provides price floor: when wholesale prices are below the fixed price, the Crown-backed entity pays the difference; when wholesale prices are above the fixed price, the project pays the difference

Not corporate welfare – net support repaid to Government

Unleashing

New Zealand Power

A two-step plan to fix the energy market and drive transformative economic growth.

Thank you

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Q&A

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The Affordable Energy Webinar Series

June-November 2026

Rob Johnson, Ezra Hirawani, Founders: Nau Mai

16 September 11:00am

Use same link as this webinar to join back in.

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Upcoming Speakers:

John Campbell, Our Energy	**23 September**
Kelli Pike, Activator for Community Led Zero Waste: GoEco	**30 September**
Gareth Cartwright, Executive Officer: Community Energy Network	**14 October**
Stew Hamilton, CEO of Mercury NZ	**21 October**
David Wilson, Member of Parliament: New Zealand First	**28 October**
Blair Dickie, Principal Strategic Advisor: Waikato Regional Council	**4 November**

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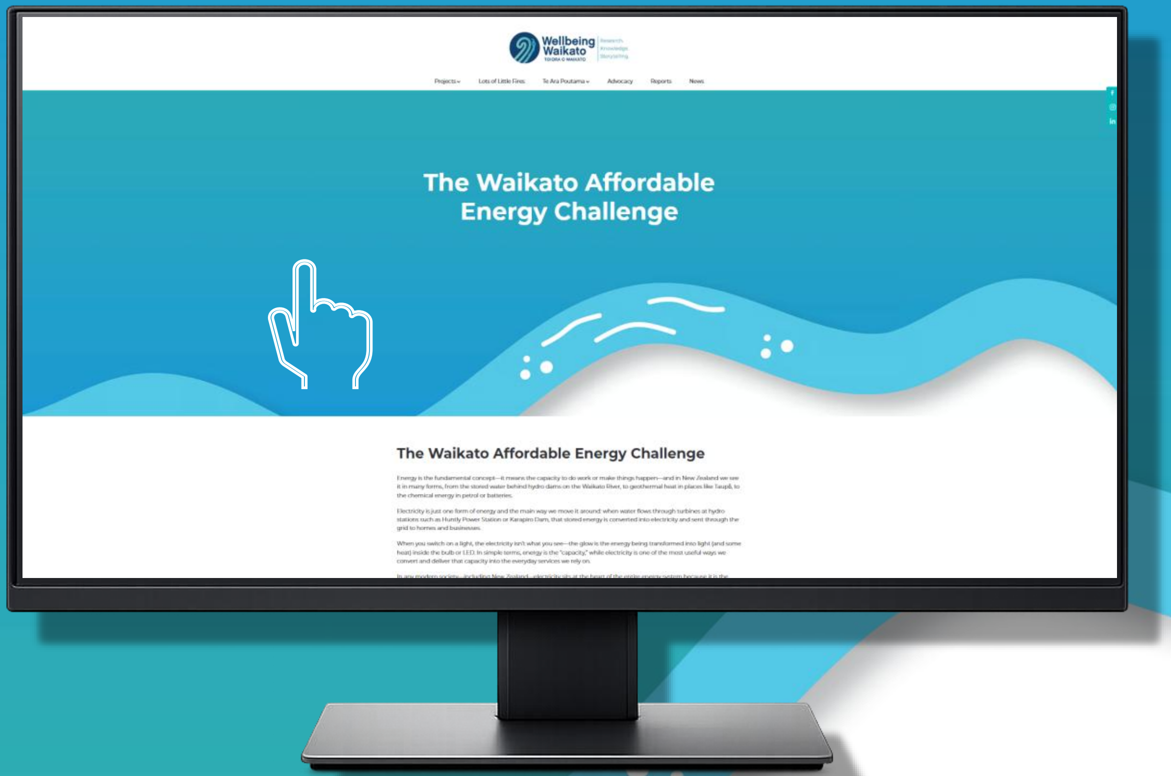
Go to our Website to See all Presentations and Slides from the Series:



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Thank you!

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