

Via email: energyinfo@mbie.govt.nz

6 June 2023

Consultation on Energy Demand and Generation Scenarios (EDGS) 2023

Mercury welcomes the opportunity to provide feedback to Ministry of Business, Innovation and Employment (MBIE) on its consultation document *Electricity Demand and Generation Scenarios (EDGS) 2023*, May 2023. No part of this submission is confidential.

MBIE is seeking input from stakeholders to ensure that the scenarios that it is preparing, which explore potential futures of electricity demand and generation in New Zealand, and the resulting modelling reflect the potential pathways that the electricity sector could take.

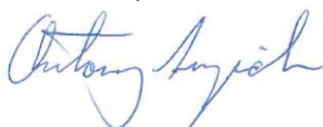
Since EDGS was last updated in 2019, policies have been introduced that support the process of decarbonization and electrification during the transition to the net-zero carbon economy. Mercury proposes that EDGS should identify the potential pathways that could emerge during this transition. Furthermore, as these policy settings are under rapid development, the range of pathways should not only encompass current settings but also reasonable potential future settings, and where there is uncertainty.

There is already an extensive body of modelling work on pathways that could emerge as New Zealand transitions to a net-zero economy. Mercury suggests that MBIE refers to and brings together the work of BCG¹, the Climate Change Commission² and the Energy Efficiency and Conservation Authority (ECCA)³, as a minimum, in order to better identify the range of potential pathways that is presently under consideration and associated policy settings. Mercury suggests that this work would not only help improve the quality of EDGS but it would also provide a reference point that could inform modelling work more generally.

In addition, to help ensure that the EDGS scenarios reflect Mercury's generation development pipeline, we refer MBIE to page 45 of the Mercury Investor Day slide pack, 15 March 2023.⁴

Mercury looks forward to engaging with MBIE on the process of updating and developing EDGS.

Yours sincerely,



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¹ The Future is Electricity. A Decarbonisation Roadmap for New Zealand's Electricity Sector. BCG. [the-future-is-electric-full-report-october-2022.pdf \(bcg.com\)](#)

² 2023 Draft advice to inform the strategic direction of the Government's second emissions reduction plan. April 2023. Climate Change Commission, [2023 Draft advice to inform the strategic direction of the Government's second emissions reduction plan » Climate Change Commission \(climatecommission.govt.nz\)](#)

³ [The New Zealand Energy Scenarios TIMES-NZ 2.0, developed by EECA in partnership with the Business NZ Energy Council and The Paul Scherrer Institute..](#)

⁴ https://issuu.com/mercurynz/docs/investor_day_presentation_2023





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