

## Media Release: Power shortage warning a timely wake-up call for industry

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Transpower's early winter warning of a power shortage is yet another timely reminder for the industry and regulators to tackle the problem of securing reliable, year round renewable energy supply.

"The Consumer Advocacy Council welcomes the early warning from Transpower for generators to increase supply to head off a possible power supply crunch tomorrow morning caused by the sharp cold snap," said Deborah Hart, Chair of the Consumer Advocacy Council.

"Doing this 24 hours out from any projected shortage of supply is sensible - it does give the industry time to react and head off the worst possible result - power having to be cut to consumers.

"Consumers too can do their bit to ease pressure on the system, but ultimately it is the industry that needs to take the lead at these times of pressure.

"We know from our surveys that having a reliable supply of electricity is one of the top concerns for consumers, along with affordability and sustainability. Electricity is an essential service and we all need it when it's cold.

"It's disappointing this has happened so early in the winter, but it's a timely wake-up call for the industry.

"We have a long term challenge in New Zealand to manage winter peak demands as our population grows and the country electrifies. The Council's view is that fundamental change is needed to the wholesale market - there must be sufficient renewable energy available all year round.

"Despite all this news about development of generation capacity, consumers hear a recurring pre-winter message from Transpower that things are tight and there might be electricity cuts. Large business contracts, like the recent Rio Tinto - Meridian deal include an agreement to reduce load in winter, if necessary. It doesn't exactly engender business or consumer confidence that the electricity system is working well if that is what the system has to rely upon.

"The solutions lie in the hands of the industry, the Government and regulators. If we don't make progress, there will be more warnings like today and a heavy price will be paid by consumers, small and large."