

## **Media Release: Electricity Authority moves to protect small consumers over Tiwai contract**

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### **Consumer Advocacy Council backs Electricity Authority move to protect small consumers over Tiwai contract**

Current negotiations for a new electricity supply contract for the Tiwai Point aluminium smelter must not disadvantage New Zealand consumers, the Consumer Advocacy Council said today.

The Electricity Authority has this morning released an urgent amendment to the Electricity Industry Participation Code 2010 to impose restrictions on very large electricity contracts, those above 150MW, that could force small consumers to pay more than they should.

Meridian and Contact are currently negotiating a new contract to supply the smelter from the end of 2024 which meets that threshold.

“We applaud the Authority in sending a very clear message to the generators that they must not settle on contracts that disadvantage residential and small business consumers. These deals must always be in the long-term benefit of consumers,” said Consumer Advocacy Council Chair Deborah Hart.

“In October 2021, a review into the wholesale electricity market competition by the Authority criticised a previous contract by Meridian and Contact which provided super cheap power to Tiwai Pt meaning consumers could be subsidising Tiwai by up to \$200 per household each year. That was effectively a transfer of as much as \$500 million in total every year of the contract to the owners of the smelter.

“The Council represents the voice of 5 million residential consumers and 500,000 SMEs. Consumers’ interests must be taken into account by the generators in negotiations for all contracts. We are pleased that the Authority is protecting consumers with urgency given new contract negotiations for Tiwai Pt are underway.

“We accept that an operation consuming so much power, 24/7, should get a discounted rate, but that rate must be fair and reasonable for all consumers and not repeat the mistakes of the past.” said Deborah Hart.