

Release

Stock Exchange Listings NZX (MEL) ASX (MEZ)

Meridian supports the Electricity Authority's decision on Transmission Pricing Methodology (TPM)

10 June 2020

Meridian Energy is pleased to see a decision has been made by the Electricity Authority on the Transmission Pricing Methodology (TPM) Guidelines, increasing certainty for electricity industry participants and investors after years of debate.

Meridian Chief Executive, Neal Barclay says, "We are currently reviewing the decision, but it is good to see that the benefit-based approach to transmission pricing has been adopted by the Authority. We're pleased that the Authority has recognised there is no difference between the HVDC and other transmission assets, and therefore the allocation of costs should be no different."

"The Authority's policy development process has been thorough and the Authority has rightly focused on the long-term benefits to consumers, rather than the interests of individual sector participants," says Barclay.

The new approach to transmission pricing will be fairer and enable more efficient investment and use of the transmission grid.

"Over the long-term New Zealand consumers will benefit from this more efficient, fair and durable pricing methodology – by the Authority's estimate the new approach will result in \$1.3 billion in consumer benefits," says Barclay.

Meridian is looking forward to working with Transpower on the detail of the TPM and encourages implementation as soon as possible.

The Authority's [decision paper](#) estimates a reduction in Meridian's annual transmission costs of \$26.9 million under the new methodology, expected by the Authority to be from 1 April 2023. That estimate will be subject to development of a detailed pricing methodology by Transpower, as well as actual market conditions in future under the new methodology.

Further information about the Authority's decision and assessment can be found at www.ea.govt.nz/development/work-programme/pricing-cost-allocation/transmission-pricing-review/development/tpm-decision-and-guidelines/

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