

18 July 2025

Transpower
By email: grid.investments@transpower.co.nz

Ōtāhuhu–Whakamaru A and B Lines reconductoring project

Meridian appreciates the opportunity to provide feedback on Transpower's consultation on the Ōtāhuhu–Whakamaru A and B Lines reconductoring project.

We note that Transpower has not provided any indicative customer cost allocations that would result from this investment. As the Electricity Authority made clear when introducing the new Transmission Pricing Methodology, benefit-based charges are intended to increase scrutiny of proposed transmission investments because consumers who would benefit and end up paying for a grid investment will be interested in having a say on that investment, to make sure it is fit for purpose and better than alternative solutions.

Transmission customers need to understand indicative cost allocations in greater detail in order to better engage with the proposed solution and understand the costs and benefits to their businesses as well as to consumers. As we've stated previously, Meridian considers that best practice would be that Transpower provides indicative customer allocations for all investment proposals that may result in benefit-based investments, including for the current consultation.

Our responses to Transpower's specific consultation questions are attached as Appendix A.

Please contact me if you have any queries regarding this submission. This submission can be published in full.

Nāku noa, nā

Matt Hall
Principal Advisor – Regulatory and Government Relations

Appendix A: Responses to consultation questions

	Question	Response
1	Are there any other considerations relating to the need that we should incorporate into this project?	No.
2	Do you agree with our assessment of the option components?	<p>Transpower notes in the consultation paper that decommissioning one of the OTA–WKM A&B lines would breach the grid reliability standards in the Code as N-1 transmission security to upper North Island would be compromised. However, Transpower has identified the immediate decommissioning of the OTA–WKM A&B lines as the counterfactual for its cost-benefit assessment. In Meridian’s view, it is not appropriate to select an option that would breach the Code as the counterfactual for such an assessment.</p> <p>We also note that little detail or description is provided on ‘unquantified benefits’ despite these being relevant to the overall ranking of options, making it difficult for parties to assess whether such benefits have been considered appropriately.</p>
3	Do you have any comments on our analysis of costs and benefits for this project?	<p>It is not clear whether this analysis has considered the potential benefits from being able to firm intermittent generation in the upper North Island with generation from elsewhere. Given expectations on the future dynamics of New Zealand’s electricity sector, such benefits could support the case for increasing the capacity of this circuit in the near future.</p> <p>We note that generally an unconstrained grid is assumed in making assessments such as these. Going forward, there may be value in modelling (or testing sensitivities of) costs and benefits under a reduced AC grid when other lines are removed for maintenance. Such outages are the major cause of both transmission and generation constraints in the upper North Island, and as such the key drivers of future price instability. This issue is likely to be further exacerbated by declining thermal generation.</p>
4	Do you agree with our assessment of the preferred solution and our application of the Investment Test?	As per our response to Question 2, Meridian would like to further understand the unquantifiable benefits of using conductor options of a high-capacity rating given that these conductors have a 20-year lifespan and this circuit is flagged for a major project within the next 10 years. These unquantified benefits may make alternative solutions more economic in the long term for New Zealand.

5	Do you have any additional information that could materially affect our electricity demand forecast or generation assumptions?	No.
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