

20 March 2026

Transpower
By email: tpmreview@transpower.co.nz

TPM Operational Review Workstream 1

Meridian appreciates the opportunity to provide feedback on Transpower's consultation on Workstream 1 of the Transmission Pricing Methodology (TPM) Operational Review.

We support efforts to ensure the current TPM is being implemented efficiently and sensibly. We do not have detailed comments on all aspects of the Workstream 1 proposals at this stage but highlight below some specific points of feedback.

Adjustment events

In general, we agree that the frequency of adjustment events is creating both an administrative burden and exacerbating price uncertainty. We note also that further adjustment events may be driven in the future by the growing deployment of solar with embedded battery energy storage systems (BESS). We therefore support the exploration of options to address this issue. With respect to options to alter the triggers or threshold for adjustment events, we tentatively support Option 2 (Increase the threshold for adjustment events). We consider it is worth exploring applying a threshold based on energy (MWh offtake/injection) as well as capacity (MW) given the potential variability in capacity factors of connected plant.

We agree with the Industry Working Group that Option 3 (Replace BBC adjustment events with an annual Intra-Regional Allocator and customer allocation) would be a bolder change with more pervasive implications. As such, we question whether such a change should be progressed through an Operational Review.

Simple method period

We appreciate that the timing of the assessment of the second simple method period may coincide with other work Transpower is undertaking, including this Operational Review. However, this is a resourcing issue rather than an issue with the TPM. Maintaining a regular update cycle for recalculating the net private benefits (NPBs) to determine simple method allocations is an important part of maintaining TPM charges which reflect the

NPBs of individual payers. We encourage Transpower to stick to the current codified schedule for the second simple method period.

Drafting hygiene

We support these proposals.

Emerging issues

Meridian's view is that each of the three emerging issues identified are substantive and that some of the options canvassed may be outside of the intent of the existing TPM Guidelines. We therefore agree with Transpower that each of these issues are best referred to the Electricity Authority for consideration.

Timing of the TPM Operational Review

We appreciate that Transpower is seeking to move at pace with Workstream 1 so that changes can be adopted for the pricing year commencing 1 April 2027. However, we would note the obvious point that any change to the TPM is generally complex and it would be beneficial to provide sufficient time for stakeholders to consider these issues thoroughly. Going forward, we would appreciate any consultation period being 4-6 weeks to accommodate this.

We look forward to engaging further as the remaining TPM Operational Review Workstreams are progressed.

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 Affairs and Government Relations