FN-26-06 Fortnightly report 1 April 2026

This report summarises items that may be of interest to the Minister for Energy and Associate Minister for Energy but do not require a formal briefing. Further information can be provided on request. Substantive items and decision papers will be provided by briefing.

Electricity Authority contact: Sarah Gillies, Chief Executive

Mobile: s 9(2)(a) [redacted]

1. Upcoming publications

Code amendment omnibus #6	
Strategic outcome	Secure and resilient
Purpose	The Authority is introducing Code changes to: • clarify how the rules for materially large contracts apply (those that could impact wider market pricing) • enhance hedge contract transparency Together, these changes will improve market efficiency and transparency, resulting in a more reliable supply of electricity for consumers.
Action and timing	Intended publication: late April 2026 (subject to Board approval)

2. Current consultation

Current consultation	Consultation period
Consultation – Improving prudential security arrangements	26 March - 23 April
Omnibus of common quality Code amendment proposals: consultation paper	31 March - mid June
Reforming distributed generation pricing to promote efficient investment	2 April - 15 May

3. Hydrology conditions and emerging wholesale price risk

Key points:

3.1. Monthly hydro inflows in February and March have been low. April inflows are expected also to be low. This could lead to higher spot prices, particularly because we are in the lead-up to winter. Prices so far have been low, with the March average spot price of only around $140/MWh.

3.2. We have better overall thermal and hydro positions, when compared to 2024/2025, but prices may be elevated due to increases in the value of thermal fuels.

3.3. The Authority will:

(a) Continue to monitor the fuel stockpiles and use rates.

(b) Continue our usual trading conduct monitoring. This will mean we see any offer changes as hydro generators raise offer prices to conserve water.

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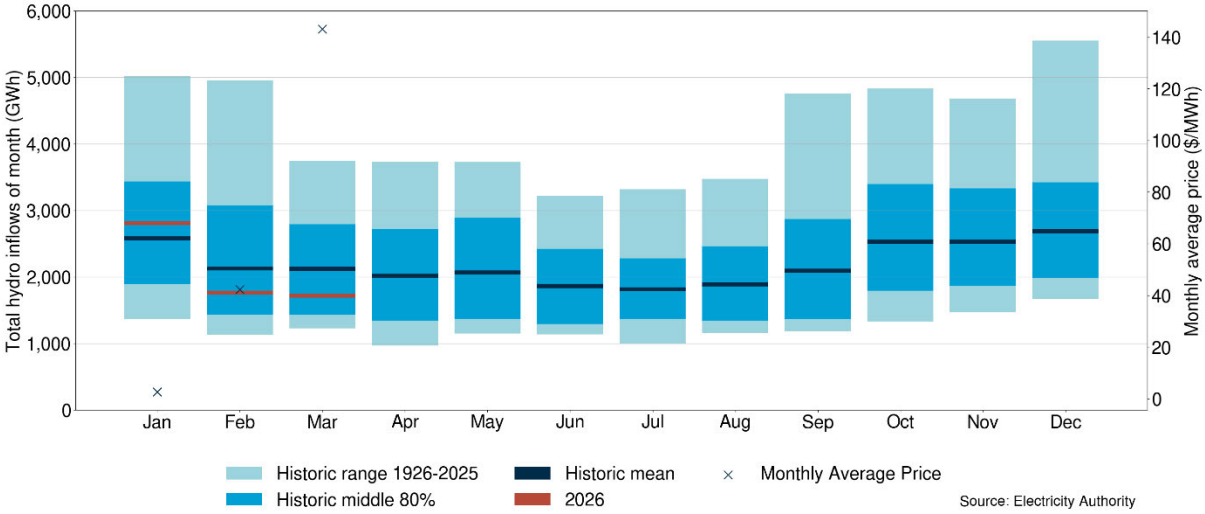
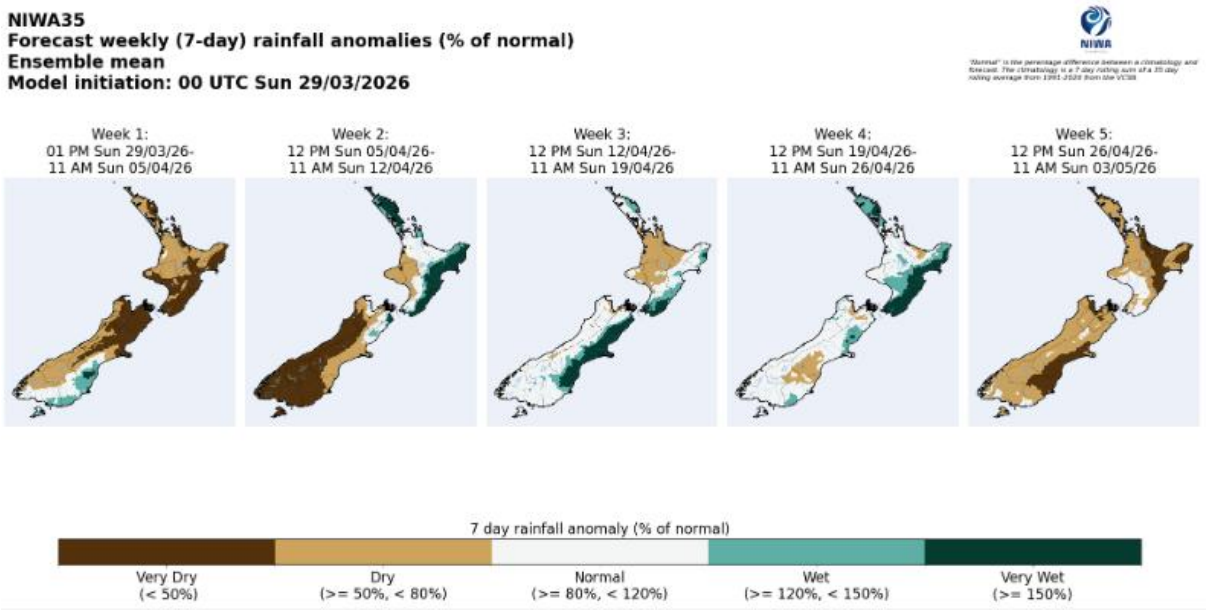
(c) Provide you with further analysis in the next fortnightly report after our estimates of the Short Run Marginal Costs (SRMC) for thermal fuels have been updated; we are completing this work now.

Figure 1: Monthly inflows 2026 compared to the historic range and monthly average price



3.4. Lower than average rainfall in the lake catchment areas seems likely in April (Figure 2: NIWA35 weekly forecast anomalies 29 March - 3 May 2026.

Figure 2: NIWA35 weekly forecast anomalies 29 March - 3 May 2026



3.5. Historically, we've seen that as we enter a 3rd month and inflows stay below average, electricity spot prices typically reach above $300/MWh.

3.6. This happened in 2025 (March-May), 2024 (4 months May-August) and 2022 (March to May, but prices only peaked at around $200/MWh).

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Figure 3: Monthly inflows 2025 compared to the historic range and monthly average price

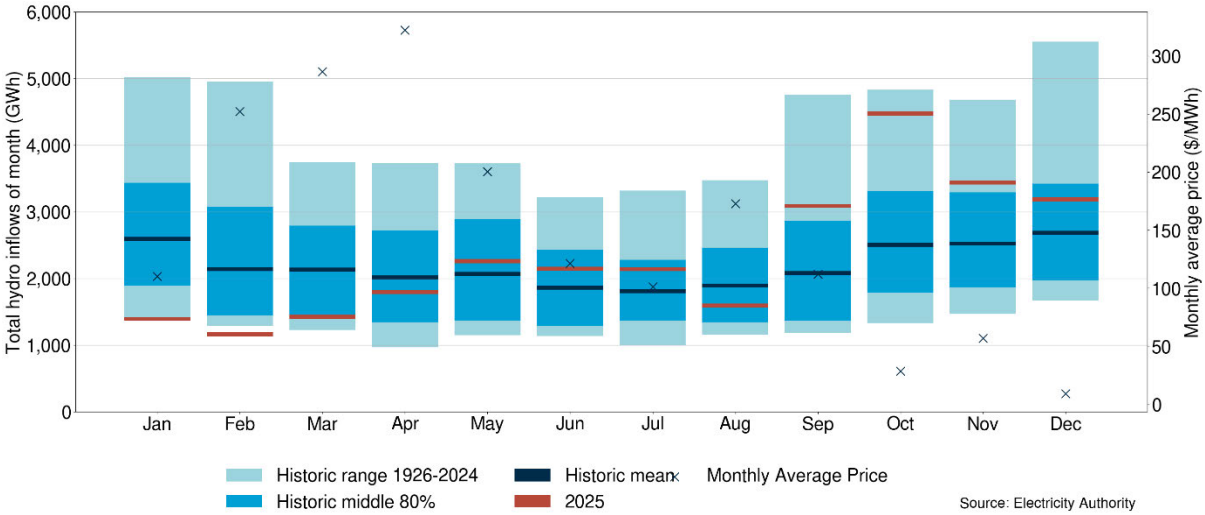


Figure 4: Monthly inflows 2024 compared to the historic range and monthly average price

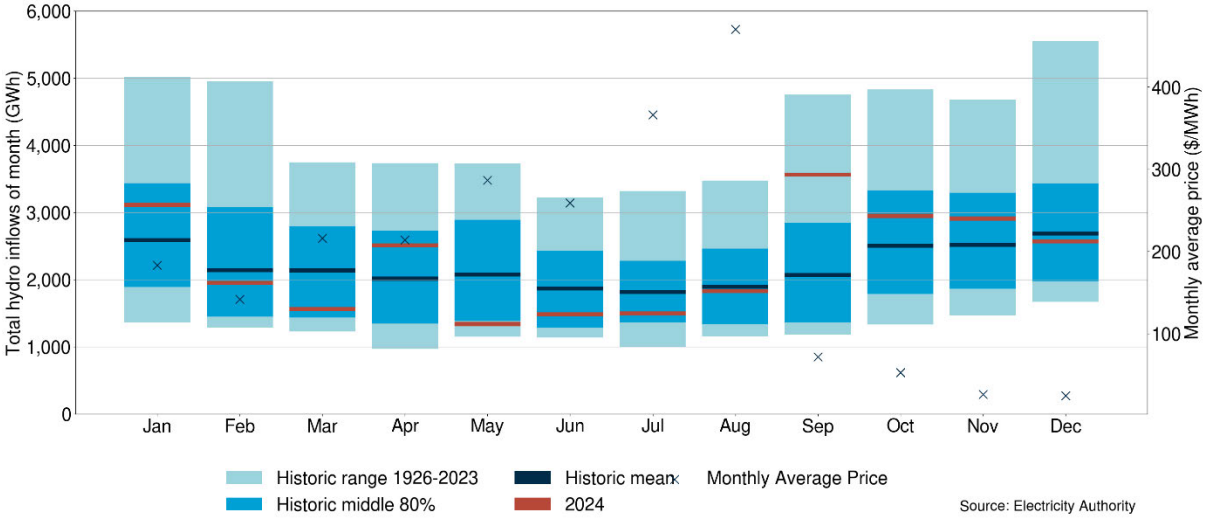
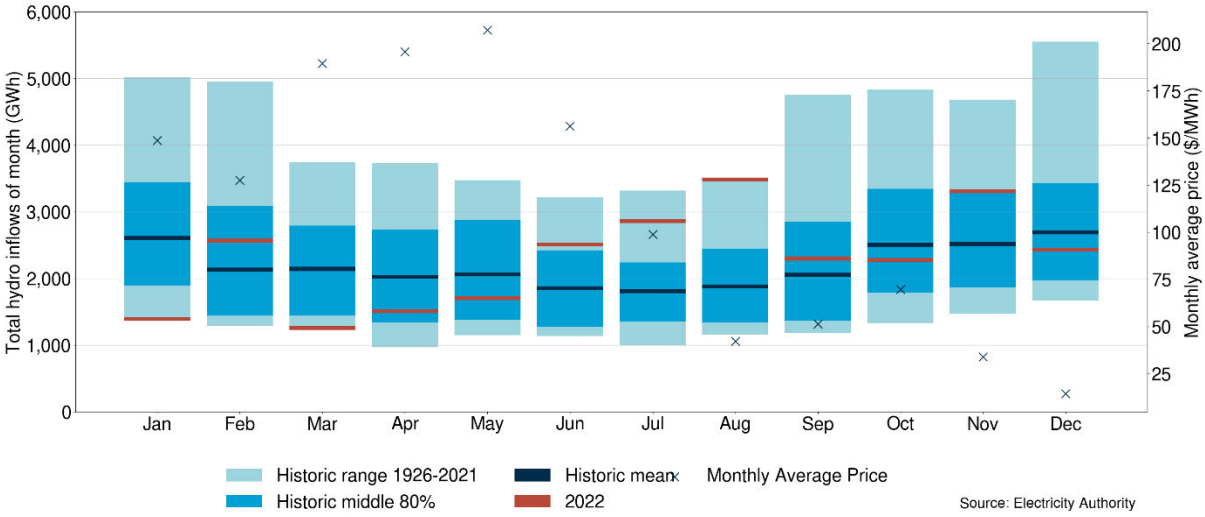


Figure 5: Monthly inflows 2023 compared to the historic range and monthly average price



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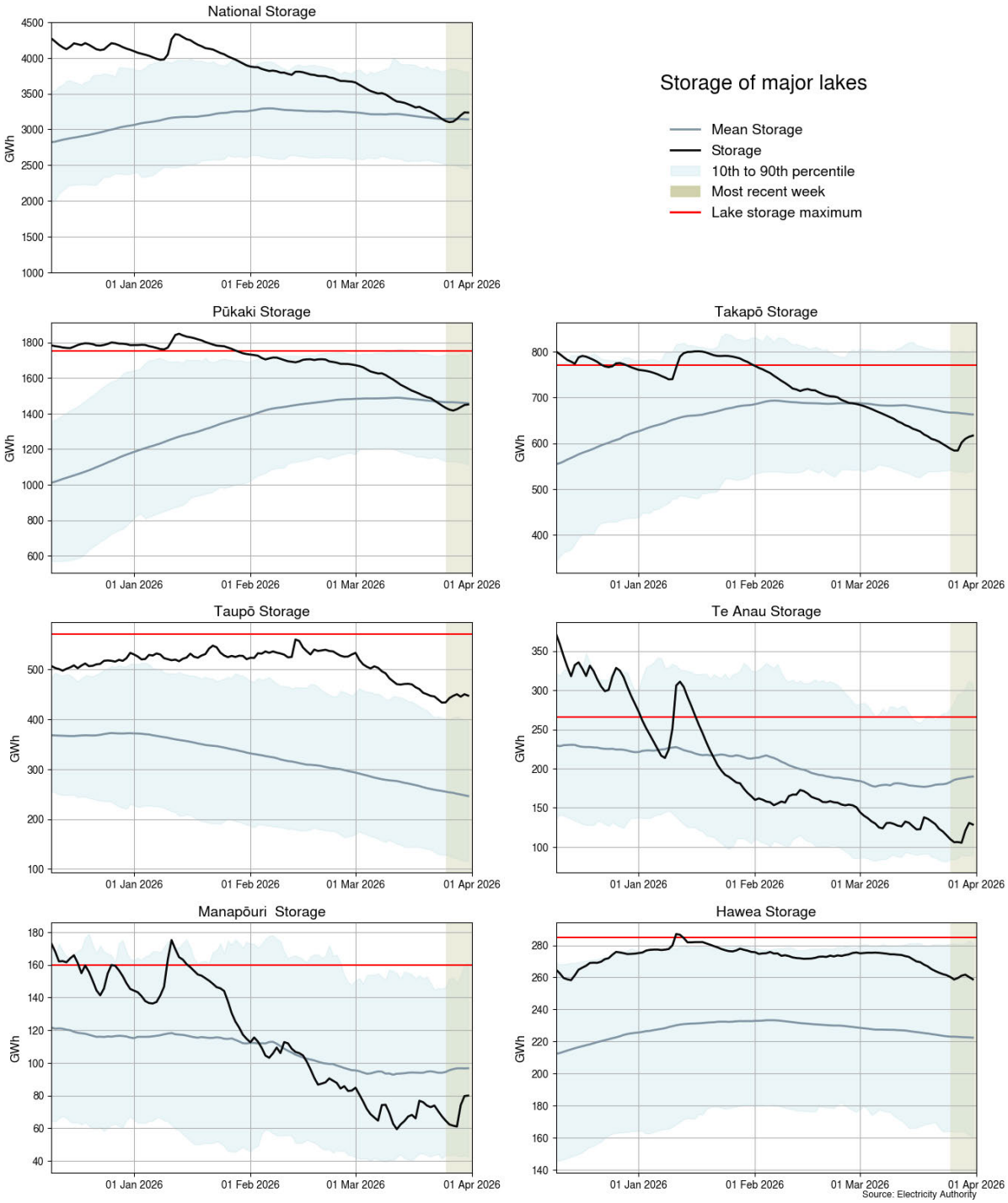
3.7. Right now, most hydro catchments are at or below mean (Figure 6), apart from Taupo and Hawea, which remain above mean. Rainfall in the last week has seen nearly all catchments get a small uptick.

Figure 6: Hydro storage nationally and at each major hydro lake catchment



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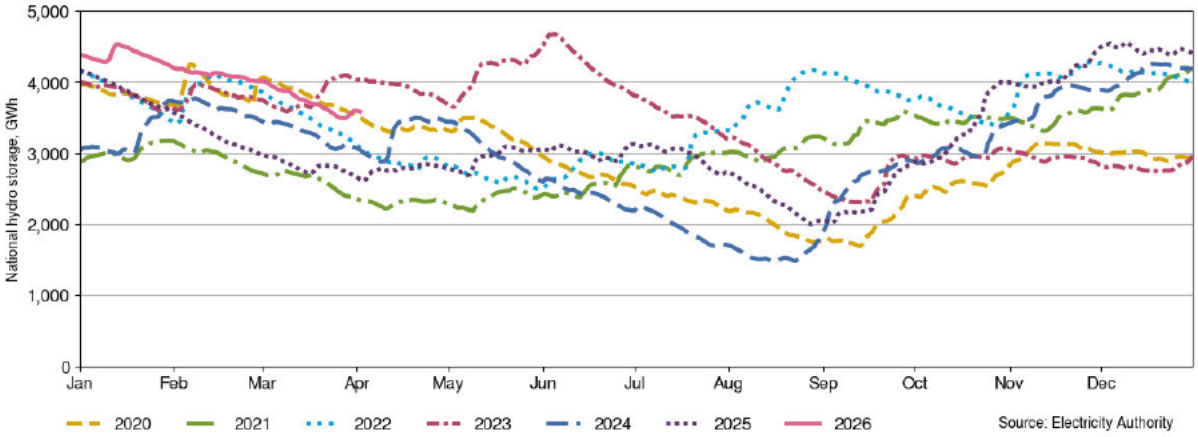
3.8. Storage still overall remains above levels experienced this time of year in 2021, 2022, 2024 and 2025 (Figure 7).

Figure 7: Hydro storage 2026 compared to storage in 2020-25.



3.9. Coal and gas storage also remains high (Thermal fuel information | Electricity Authority), however, we are following up with Contact regarding their diesel for Whirinaki.

3.10. We are producing new thermal SRMCs next week so will also be able to give better insights into how the changing value of thermal fuels might impact spot prices and ASX futures.

4. Investment pipeline monthly update: 20 March 2026

As requested by your office, this section is reproduced here for easy reference. It is unchanged since the 20 March last update, and you will receive refreshed data in the next report on 16 April.

Generation investment pipeline snapshot				
45.7GW total capacity	67.6TWh/yr total energy	285 projects	106 developers	83.1% intermittent renewable

Key changes since last update on 19 February

- ► 868MW of new generation commissioned since November 2023 (no change since last update).
- ▲ 1,293MW is currently under construction (+26MW since last update).
- ▲ 38.8GW of projects progressed beyond the first stage of Transpower's grid connection process (+0.2GW based on correction to the data). Of those, 17.4GW are planned for completion before 2030 (+0.2GW based on correction to the data), and of these, 12.9GW are owned independently.

Executive summary

4.1. Along with our regular key project development update, this month we include an update on the pace of generation being built relative to demand. In summary:

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(a) Generation built in the last 3 years (2022-2025) was more than double that built in previous 8 years (2015-2022)

(b) Generation build is expected to outpace demand growth – building generation faster than demand growth will help support security of supply, including in dry years.

(c) Overall, we are 509MW better off this winter compared to this record peak from August 2023.

(d) Both gentailers and independent developers are building new generation and different development options are being utilised.

Key project development updates

4.2. A final investment decision has been made for the 25.6MW **Kapuni wind farm** (a joint venture between Hiringa Energy, Balance Agri-Nutrients, Todd, Parininihi ki Waitōtara and MBIE). Construction has begun and completion is expected in 2027.

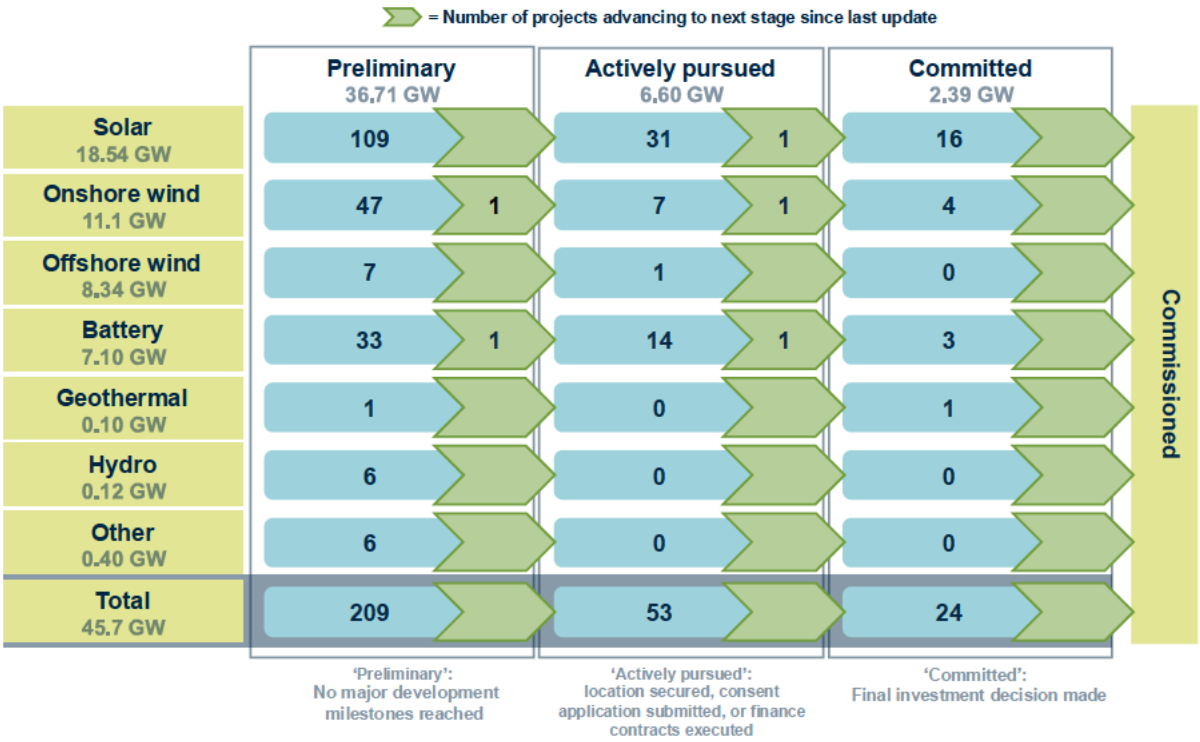
4.3. Contact Energy announced final investment decisions on two projects:

(a) 150MW **Glorit solar farm** – due to be completed in Q3 2028

(b) 200MW **Glenbrook battery 2.0** – due to be completed Q1 2028 (additional to the 100MW already under construction and due Q1 2026).

4.4. A fast-track panel established to consider an application for Poutini Ngāi Tahu and Westpower's 23MW **Waitaha run-of-river hydro** project on the West Coast has released a draft decision approving the project. They noted that it would "have at least significant regional benefits".

Figure 1: Project advancement since 19 February 2026



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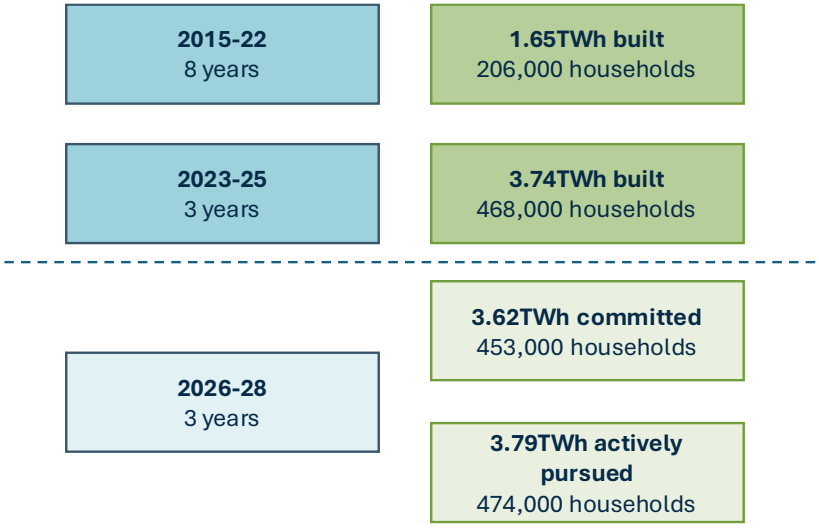
Generation built in the last 3 years was more than double that built in previous 8 years

4.5. The volume of new generation built in the three years 2023-25 (3.74TWh) was more than double that built in the previous 8 years (1.65TWh).

4.6. This rate is expected to continue, with 3.62TWh of committed generation expected in the next three years, and another 3.79TWh actively pursued.

4.7. Committed projects are very likely to be built as they have had a final investment decision made by the developer. Actively pursued projects depend on multiple factors including the outcome of consent applications and market conditions.

Figure 2: Generation built since 2015 compared to the next three years of projects in the pipeline



Generation build is expected to meet demand growth, but neither will be linear

4.8. Figure 3 compares the cumulative effect of generation built in the last ten years and new projects in the pipeline against historic demand change (solid orange line) and forecast future demand growth (dashed orange line).

4.9. We assume an average capacity factor for each type of generation to calculate total energy in the pipeline (with batteries providing zero energy).

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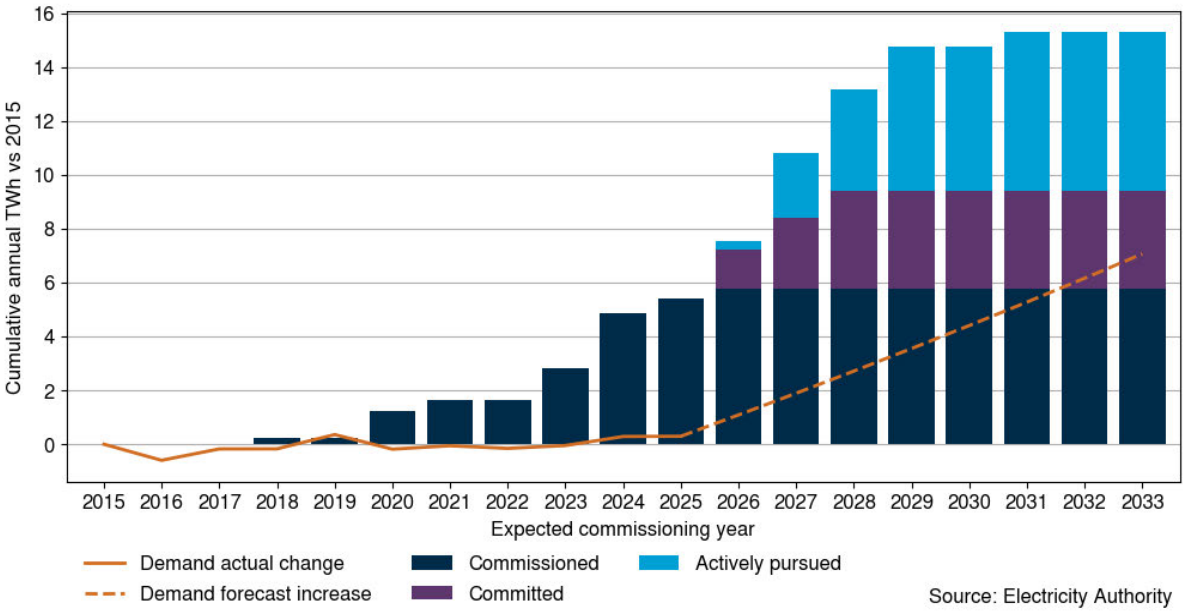
Figure 3: Cumulative generation pipeline versus 2015 against real and forecast demand change



4.10. Demand growth has been relatively flat in the last ten years but has begun to increase recently.

4.11. Already commissioned new generation and committed new generation is sufficient to meet the forecast increase in annual demand included in MBIE's reference case (~0.8-0.9TWh additional demand per year).

4.12. However, demand growth is unlikely to be linear. Industrial electrification will contribute to step changes in demand. Figure 4 shows the annual demand of load projects in our pipeline that are beyond Transpower's first stage. This includes the NZ Steel arc furnace (expected to add ~0.26TWh/yr), Fonterra Whareroa electrification (s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]) and the Datagrid data centre in Southland (expected to add ~1.7TWh/yr), expected in 2029. As with generation projects in the pipeline, not all projects will necessarily be built.

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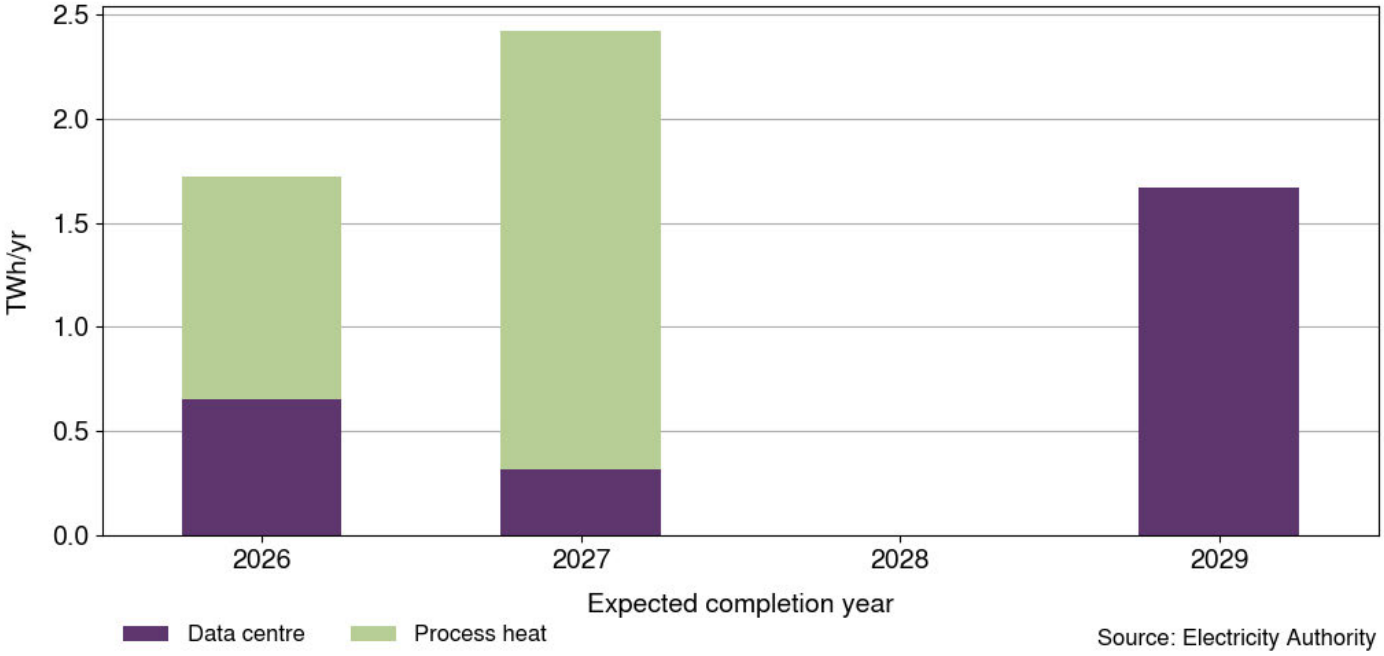
Figure 4: Annual demand from load projects that have progressed beyond the first stage of Transpower's grid connection process



4.13. Demand forecasts are simply an estimate and are subject to uncertainty. However, the current trend illustrates that forecast supply is currently outpacing forecast demand, which helps support downward pressure on wholesale prices.

Overall, we are 509MW better off this winter compared to this record peak from August 2023 (assuming no unplanned significant generation outages)

4.14. Figure 5 shows that despite the retirement of Contact's TCC, a pessimistic assumption of no wind generation being available, and an assumed 2% increase in peak demand, we are better placed to meet peak demand this winter than the record peak period in August 2023. Some key points in figure to note:

(a) The August 2023 peak period had spare capacity in the form of controllable hot water and generation not dispatched. This is now available and totals 488MW.

(b) Firm generation built since 2023 is now available or expected to be completed before winter this year improves capacity by 554MW (this includes Tauhara, Te Huka 3, TOPP2 and Ngā Tamariki geothermal stations, and Rotohiko, Ruakākā and Glenbrook batteries).

(c) Huntly 5 was on outage in 2023 but is available for this winter, improving generation capacity by 400MW.

(d) Industrial changes include closures and commissioning/electricification of existing sites like Fonterra results in a net *increase* to peak demand of up to 146MW.

4.15. There are also additional geothermal and battery projects in the pipeline which are expected for completion in 2027 and 2028 (436MW committed).

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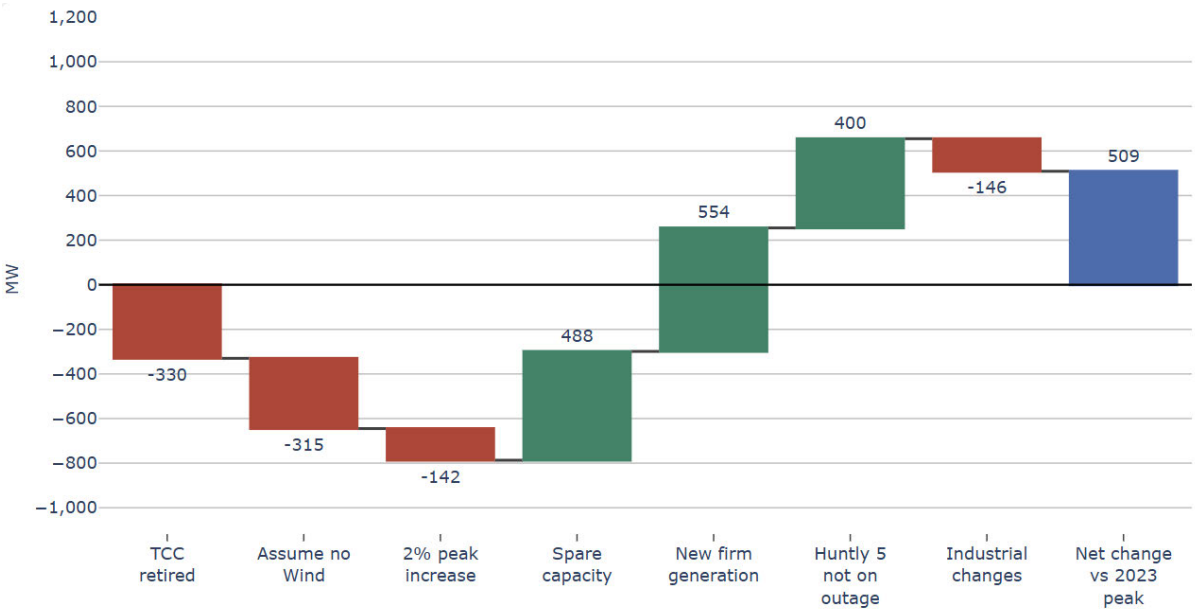
Figure 5: Winter 2026 generation capacity available compared to record peak from August 2023



Both gentailers and independent developers are building new generation and different development options are being utilised

4.16. Figure 6 illustrates the locations and timelines of the committed projects that have begun construction or commissioning.

4.17. Independent developers are contributing a similar percentage to new capacity build as in recent years. Over the past two years they built 34% of the new capacity – and currently have 25% of the committed capacity in the pipeline (Figure 7).

Figure 6: Map and expected commissioning timeline of projects under construction

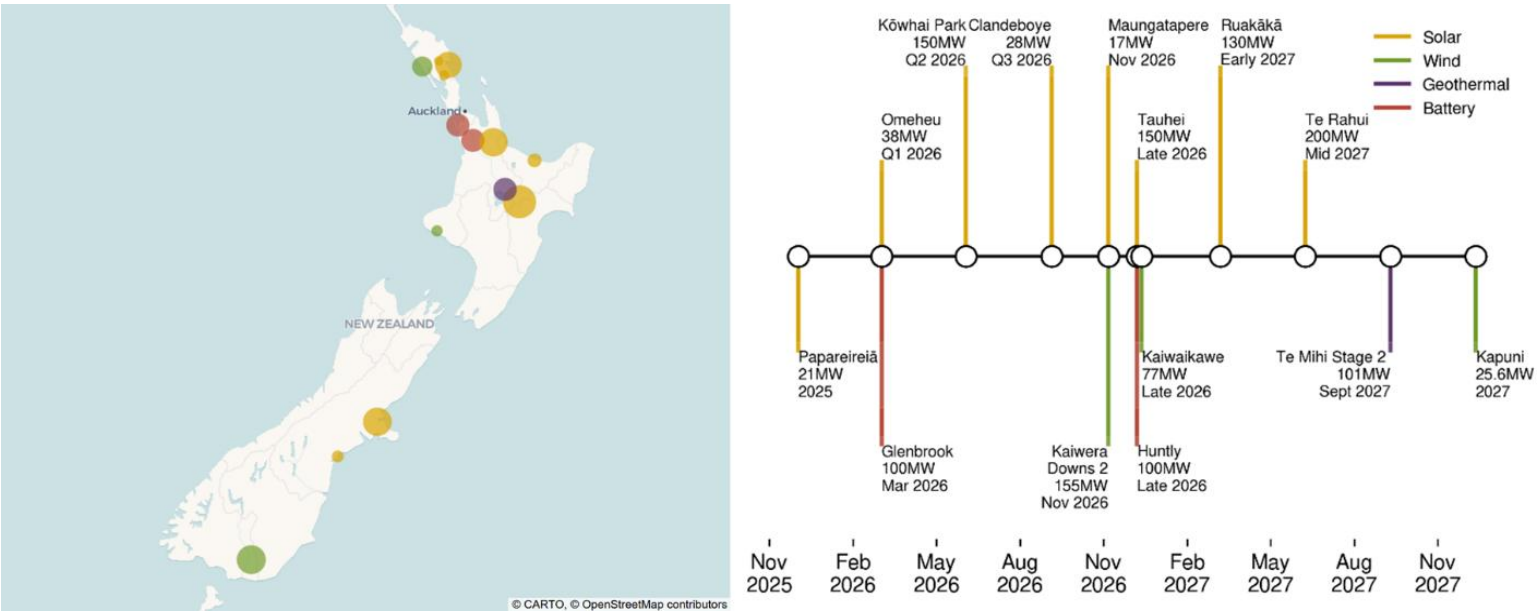


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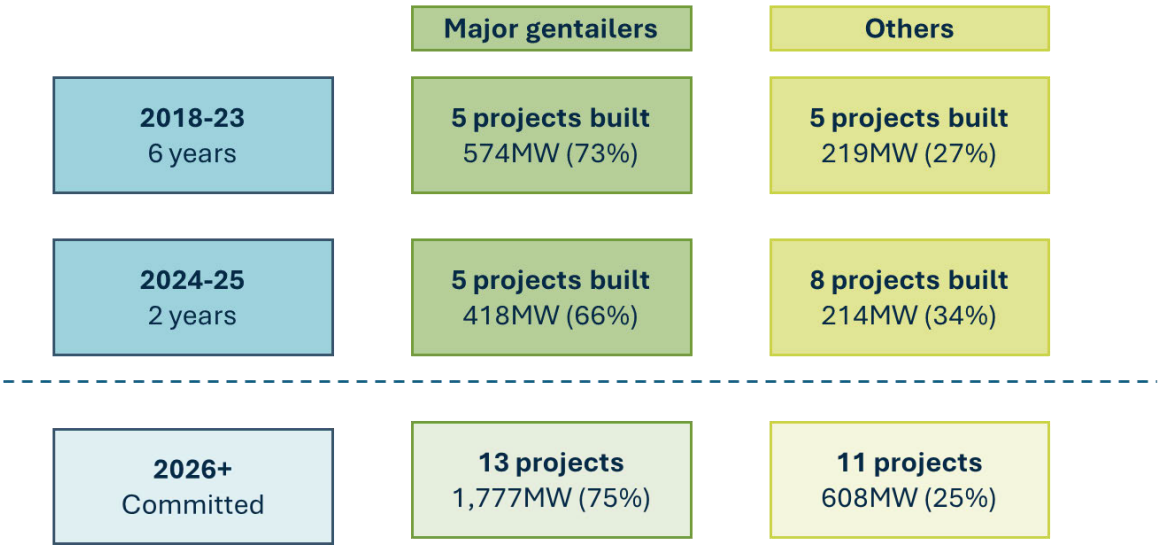
Figure 7: Generation capacity built and in the pipeline by major gentailers and other developers



4.18. This does not necessarily mean all this new build will operate under independent generators. Within a competitive market, there are various options for the development process:

(a) create an initial concept for development to sell

(b) create and develop the project to completion but sell once it becomes operational, and

(c) create, develop and subsequently operate the new generation.

4.19. We will continue to closely monitor the uptake of these different routes – if any one route becomes less frequent this may indicate potential barriers.

4.20. Two committed projects and one actively pursued project are being developed by independents but have either been purchased by a gentailer or a gentailer has a power purchase argeement for all of the electricity produced:

(a) Genesis is planning to acquire the Rangiri and Leeston solar farms from independent developers.

(b) Meridian has signed a power purchase agreement for all the generation from the Tauhei solar farm.

4.21. Some independent developers have already brought new generation to the market in the last couple of years and are now operating this generation:

(a) Lodestone solar (four solar farms operational)

(b) Eastland generation (one new geothermal station in addition to their existing two)

(c) Ranui generation, Far North Solar Farms, Newpower and Northpower (one solar farm operational each)

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