

Market performance quarterly review

July – September 2025

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1. Purpose

- 1.1 This document is a review of the performance of New Zealand's energy market from 1 July to 30 September 2025. It aims to provide visibility of the monitoring of the market undertaken by the Electricity Authority Te Mana Hiko (Authority) during this period.
- 1.2 This review seeks to assess whether spot electricity prices were reflective of the underlying energy supply and demand conditions faced by the sector for Q3 2025. It also analyses changes in the retail and forward market.
- 1.3 We want to provide visibility of previous market conditions, and of the Authority's market monitoring, to give the energy sector higher confidence that prices are being set in a competitive market. This reflects the expectations set out in paragraph 29 of the Government Policy Statement to the Electricity Authority (October 2024) that 'effective competition is essential for our electricity system to deliver reliable electricity at lowest possible cost to consumers'.

2. Highlights

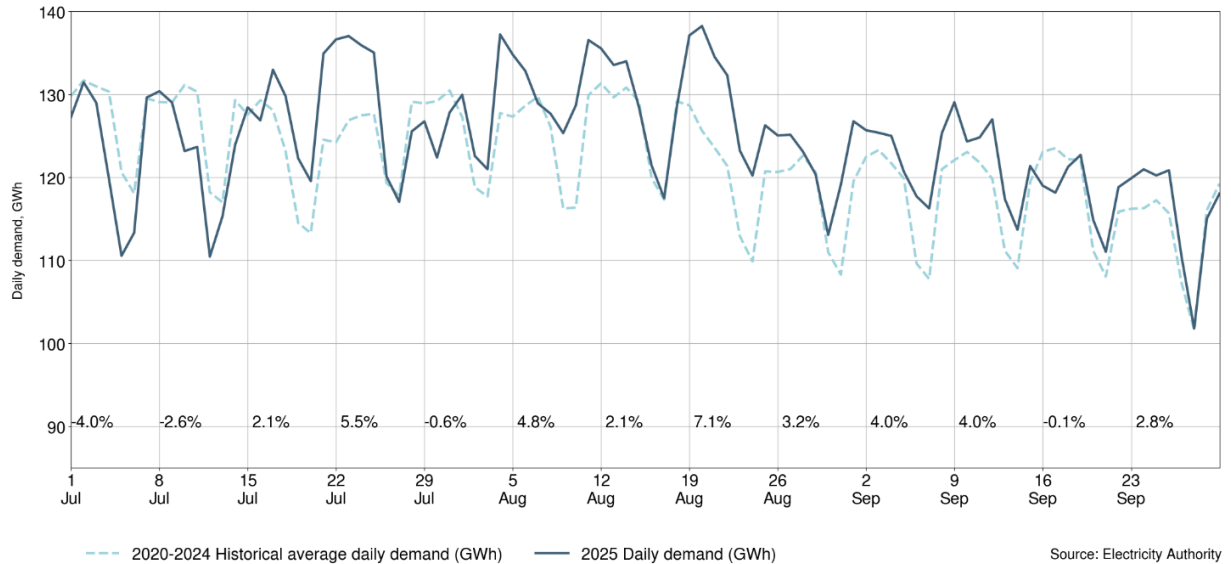
- 2.1 Spot prices rose during July and August as demand increased and hydro storage declined. September saw warmer spring weather, increases to hydro storage, and high wind generation, which caused prices to fall. The mean spot price for the quarter was \$131/MWh.
- 2.2 During August, national hydro storage reached its lowest level so far this year (2,003GWh, or 75% of the historic mean) but increased back above the mean by the end of the quarter.
- 2.3 National electricity demand was higher than the historic average (last five years) for most of this quarter. Higher industrial consumption, higher irrigation load, and cooler temperatures than average contributed to this.
- 2.4 Thermal generation during this quarter peaked at the end of August and beginning of September at around 11-14% of weekly generation.
- 2.5 Wind generation was below average during July and August but was high during September, which had the highest total monthly wind generation for any month to date.
- 2.6 Spot gas prices spiked during this quarter, reaching a peak of \$44/GJ on 22 August, but returned to similar prices by the end of the quarter. Carbon unit prices were steady during the quarter.
- 2.7 Meridian gained the largest number of electricity connections (ICPs) this quarter, while Genesis lost the largest number of ICPs, with the consolidation of its subsidiary Frank Energy into the Genesis brand in September.
- 2.8 Retail electricity prices increased slightly below the rate of inflation this quarter. However, in inflation adjusted terms, prices have still increased by ~\$274 compared to a year ago for the average household.
- 2.9 September and December 2025 future prices fell as the hydro storage situation improved towards the end of the quarter. Long-term summer futures mostly increased, while long-term winter future prices stayed relatively steady.

3. Electricity demand

Demand across the quarter

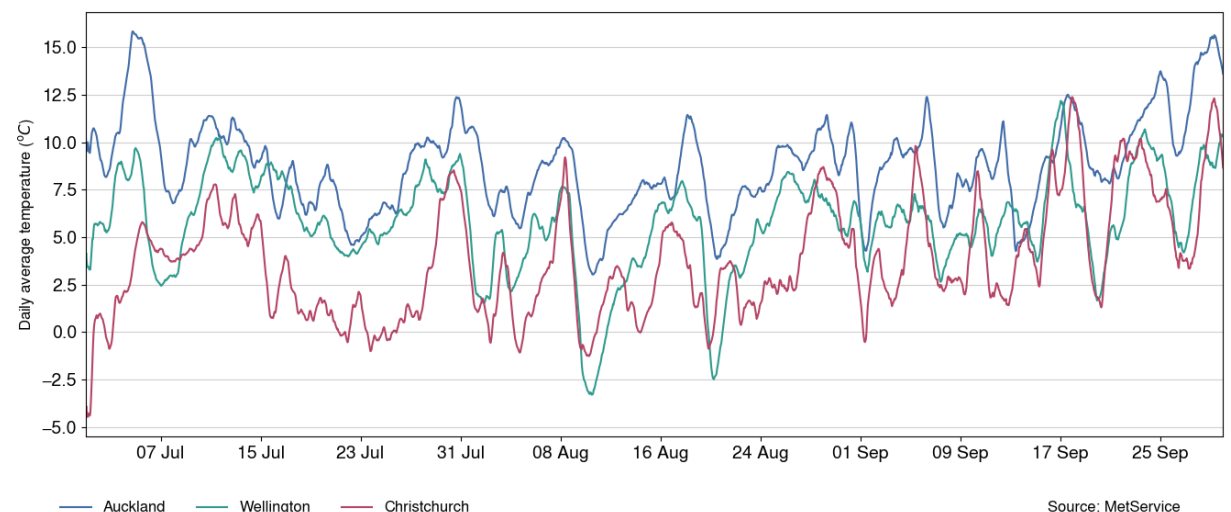
3.1 Figure 1 shows the total daily electricity demand in 2025 and the 2020-24 historic average demand between July and September.

Figure 1: New Zealand daily demand compared to historical average, July to September 2025



3.2 Daily demand was lower than the historic average in the first half of July due to warm temperatures. Late July saw a cold snap which drove demand up, with cold conditions and higher demand continuing through to late August. Demand fell through to September as warmer spring temperatures developed. Figure 2 shows the daily rolling average temperature trends across Auckland, Wellington and Christchurch.

Figure 2: Daily rolling average temperature for the 3 main centres, July-September 2025

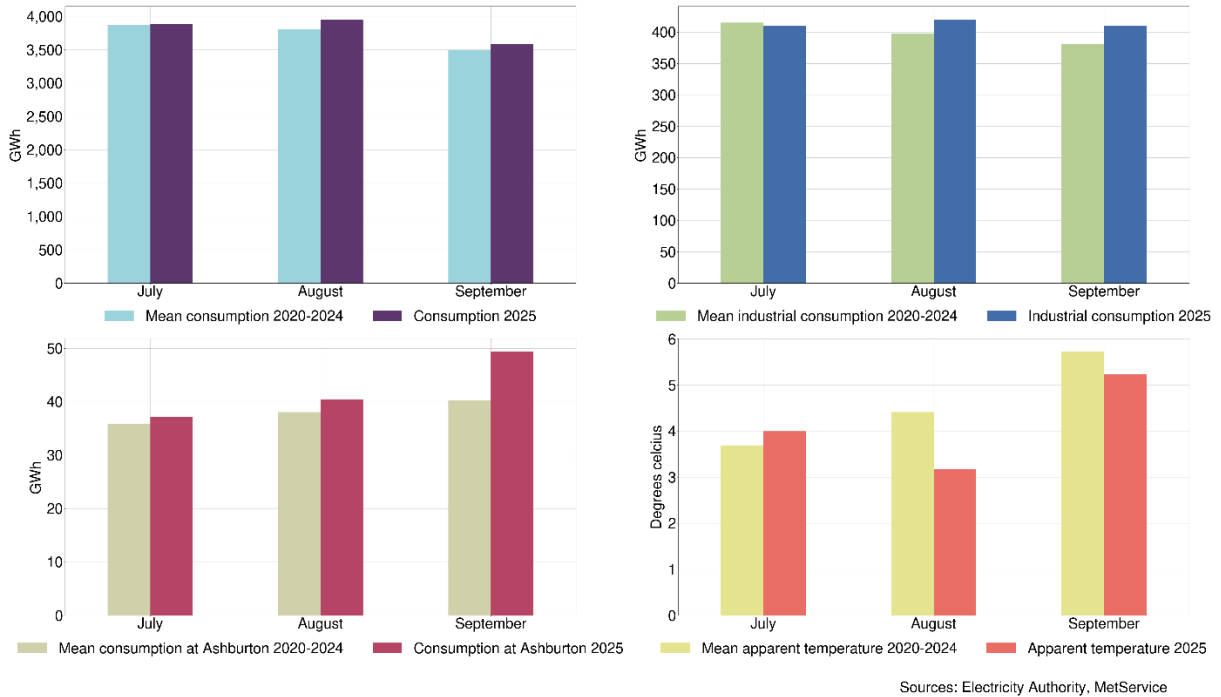


3.3 Figure 3 shows the total monthly consumption during Q3 2025 and factors that may have affected the monthly consumption. Total consumption was higher than average in all three months during the quarter.

- (a) Industrial consumption was higher than average in August and September, but slightly below average in July.

- (b) Consumption at the Ashburton node is a good indicator of irrigation load in the Canterbury region. This quarter, consumption was above average in all three months at this node.
- (c) Apparent temperature was overall higher than average in July, but below average in both August and September.

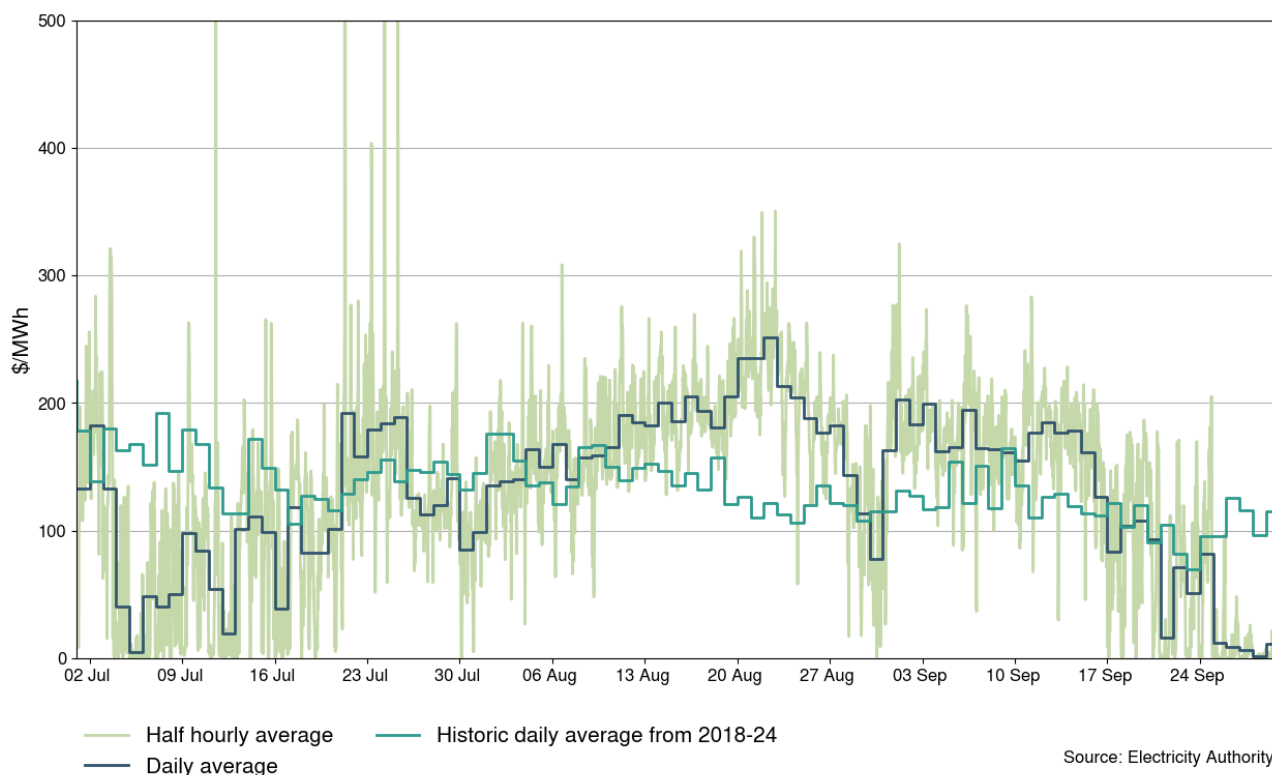
Figure 3: Total consumption, industrial consumption, Ashburton consumption and apparent temperature in 2025, compared to historic mean 2020-2024, for July to September



4. Wholesale electricity price and consumption

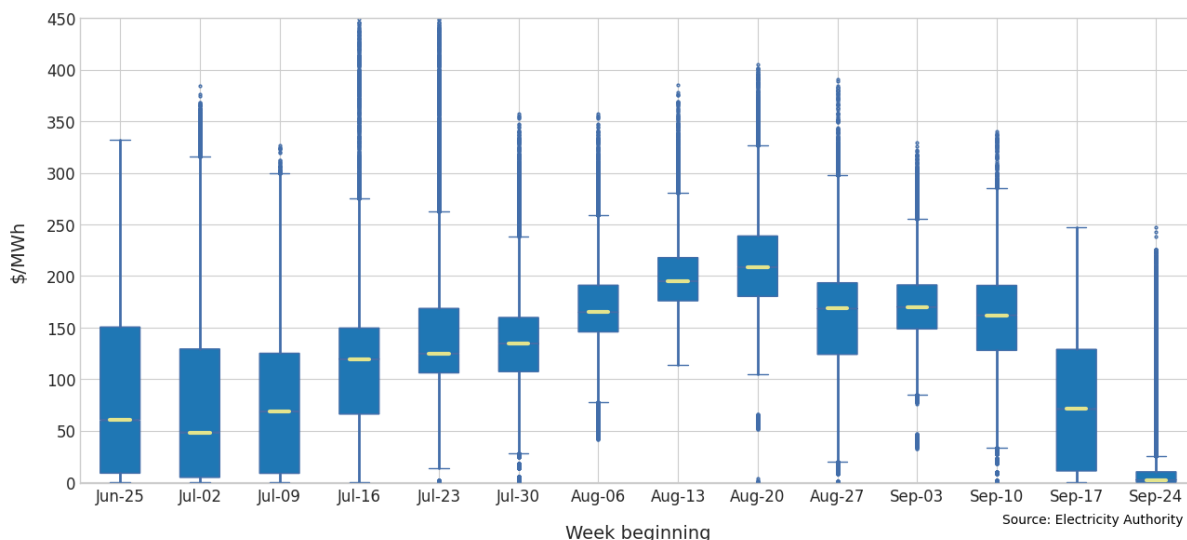
4.1 Figure 4 shows the half hourly and daily national wholesale electricity spot prices between July and September 2025. The historic daily average between 2018-24 adjusted for inflation is also displayed.

Figure 4: Half hourly, daily and daily historic average wholesale electricity prices, July to September 2025



- 4.2 Prices fell in the first week of July as warmer temperatures led to lower demand. Daily average prices rose from mid-July as demand increased and hydro storage declined. Prices then decreased from late August as hydro storage rose and demand reduced.
- 4.3 July also saw some particularly high half-hourly prices. The first of these was due to an HVDC trip on 11 July, with prices reaching \$1,001/MWh at Ōtāhuhu and \$25/MWh at Benmore at 1.00pm. On 21 July, half hourly average prices reached \$2150/MWh at 7.30am when demand was high and under forecast, wind was low, and 50-60MW of generation from McKee was bona fide out. Other high half-hourly prices between 21 and 26 July were due to a combination of high demand, demand under forecasting, low wind generation and high reliance on peaking generation.
- 4.4 Figure 5 shows the weekly spot price distributions between July and September 2025. The middle 50% of weekly price distributions rose from sitting between \$8-\$151/MWh at the beginning of the quarter to between \$180-\$239/MWh in August, when demand was high. Wind generation was low and hydro storage was at its lowest. At the end of the quarter the middle 50% of weekly price distributions fell to between \$0-\$2/MWh.

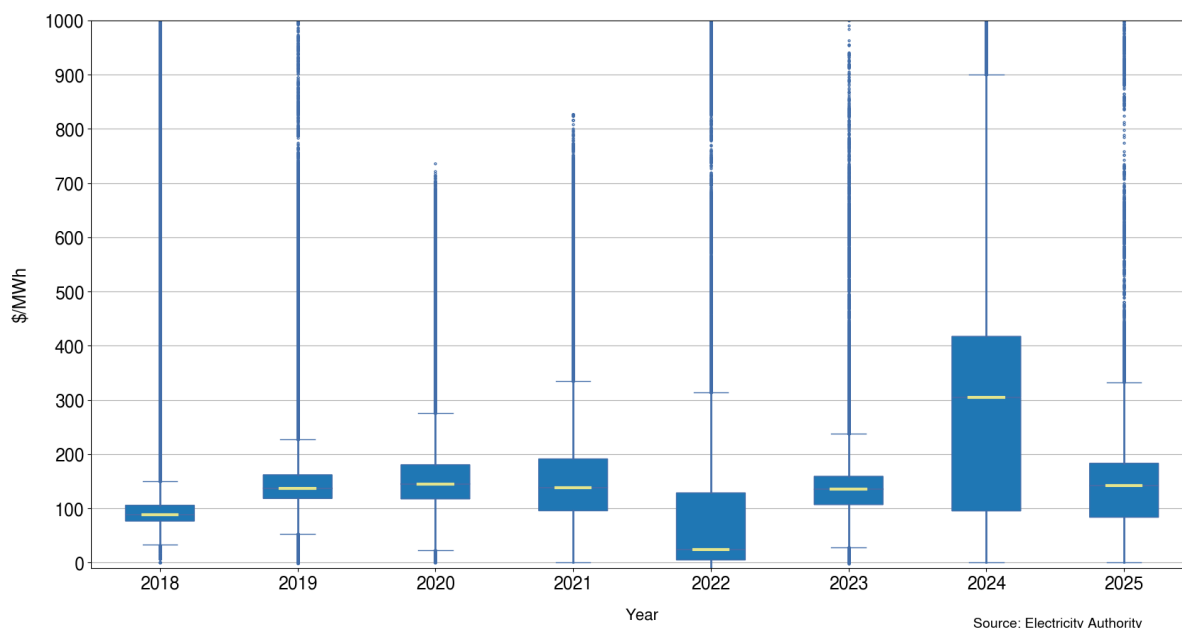
Figure 5: Box plot distributions of weekly spot prices between July to September 2025



4.5 Figure 6 shows the distribution of spot prices across the quarter compared to previous years. The middle 50% prices in Q3 2025 were between \$84/MWh and \$183/MWh. The average wholesale spot price for Q3 2025 was \$131/MWh, with a median of \$142/MWh.

4.6 Q3 2025 spot prices were lower than Q3 2024 spot prices, as hydro storage did not decline to the same extent this quarter. Prices for this quarter were similar to prices in Q3 2021, when hydro generation was at similar levels.

Figure 6: Quarter 3 spot price distributions, 2018-2025



Generation composition influence on price

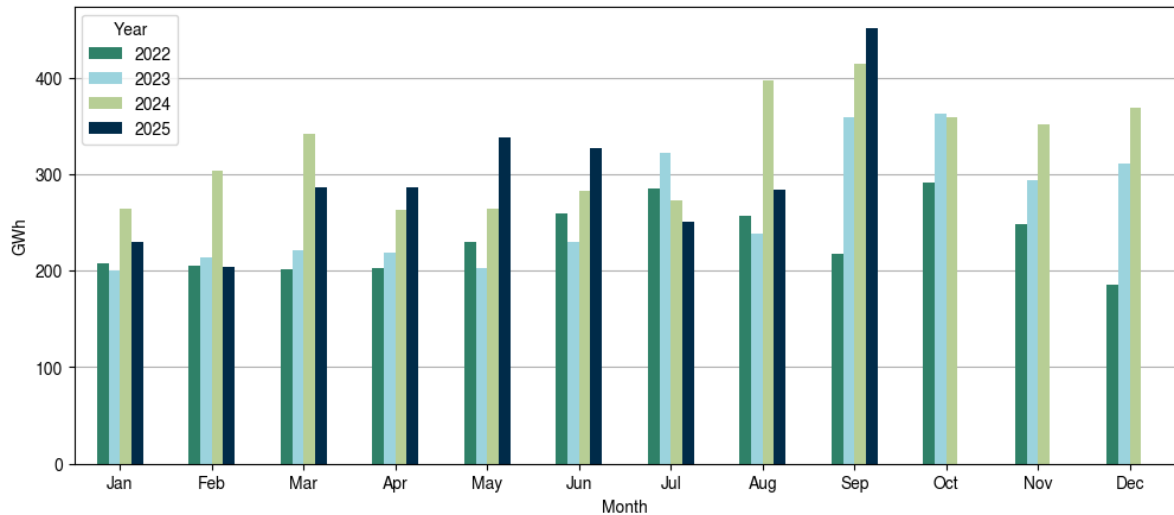
4.7 While instantaneous demand is one of the key drivers of wholesale prices, the average wholesale market price is affected by a broad range of factors. The source of electricity generation plays a role in price, as different sources have different prices and generation characteristics.

4.8 The effects of the factors are visible at different time scales. Wind and demand have the most impact on half-hourly prices as these elements change the most quickly. Thermal generation is typically on for hours or days at a time and affects daily average prices. Hydro

storage levels take days or weeks to change significantly so they can affect prices for weeks or months.

4.9 Figure 7 shows the total monthly wind generation between January and December for 2022-2024, and up to September for 2025. The total volume of wind generation has been increasing over the last few years as more wind farms have been commissioned. In July and August, total wind generation was below recent previous years. However, September had the highest total monthly wind generation for any month to date.

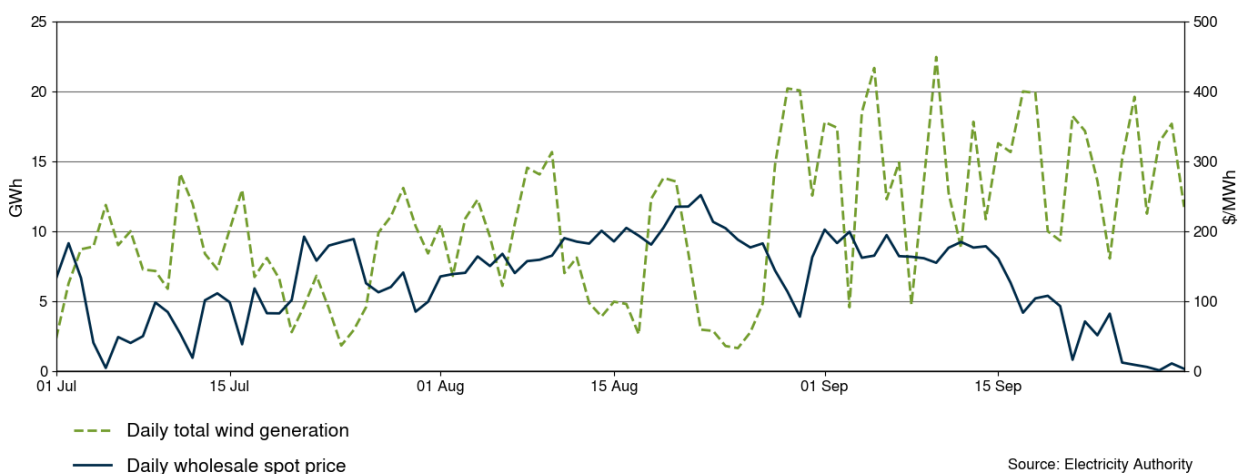
Figure 7: Monthly total wind generation 2022-2025



4.10 Figure 8 shows the daily total wind generation and the daily average national spot prices between July and September. Wind generation typically has an inverse relationship with average wholesale price. Since wind generation has no fuel costs, when the wind is blowing there is no reason not to offer all its generation into the market. With these low operating costs, it can offer a lot of generation at low prices, which displaces more expensive generation.

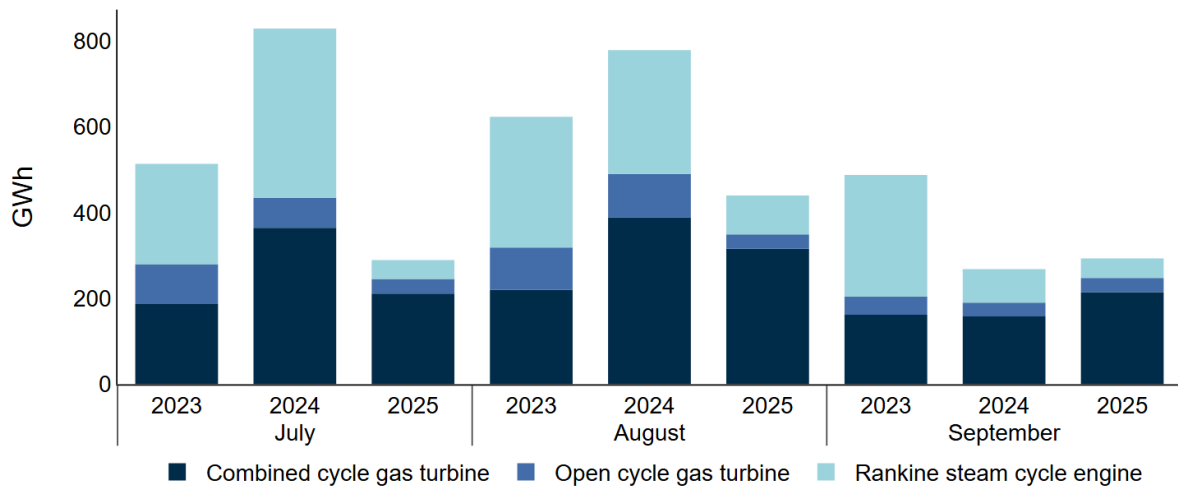
4.11 This relationship is clearer towards the end of the quarter, where high wind generation contributed to lower daily average spot prices.

Figure 8: Daily wind generation and average wholesale price, July to September 2025



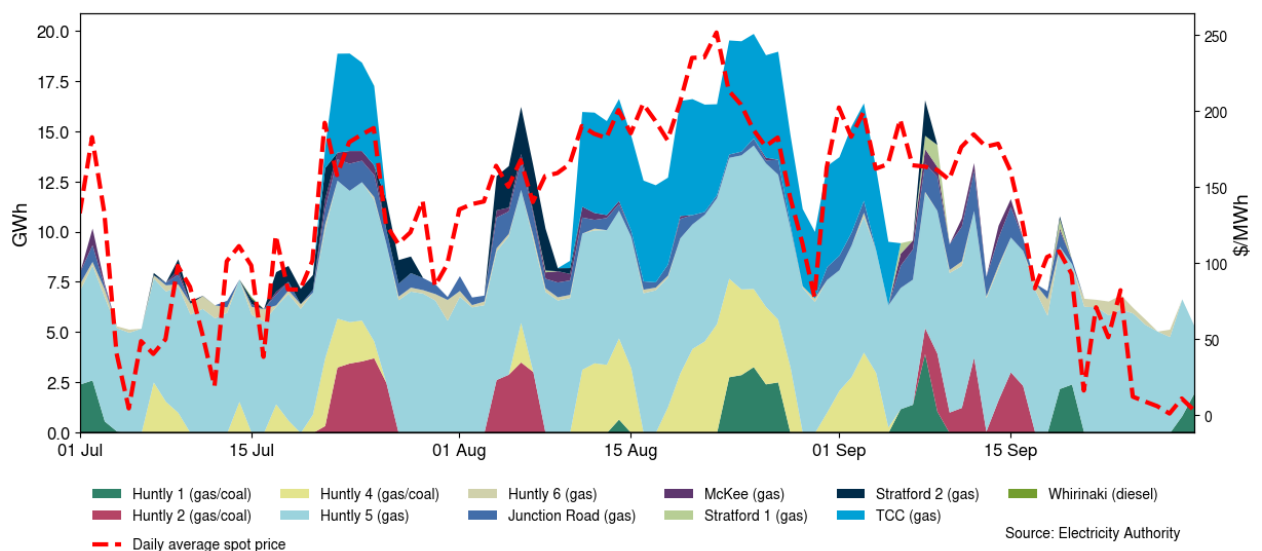
4.12 Figure 9 shows the total thermal generation by type and month in Q3 for the past three years. Thermal generation in July and August was lower than the previous two years. Thermal generation in September was lower than 2023, but higher than 2024.

Figure 9: Monthly total thermal generation, Q3 2023-25



4.13 Figure 10 shows the daily total thermal generation and daily average spot price between July and September 2025. There was a spike in thermal generation in late July, which contributed to higher spot prices at that time. Thermal generation continued increasing through August and then fell through September, with prices following suit.

Figure 10: Daily total thermal generation and average wholesale price, July to September 2025

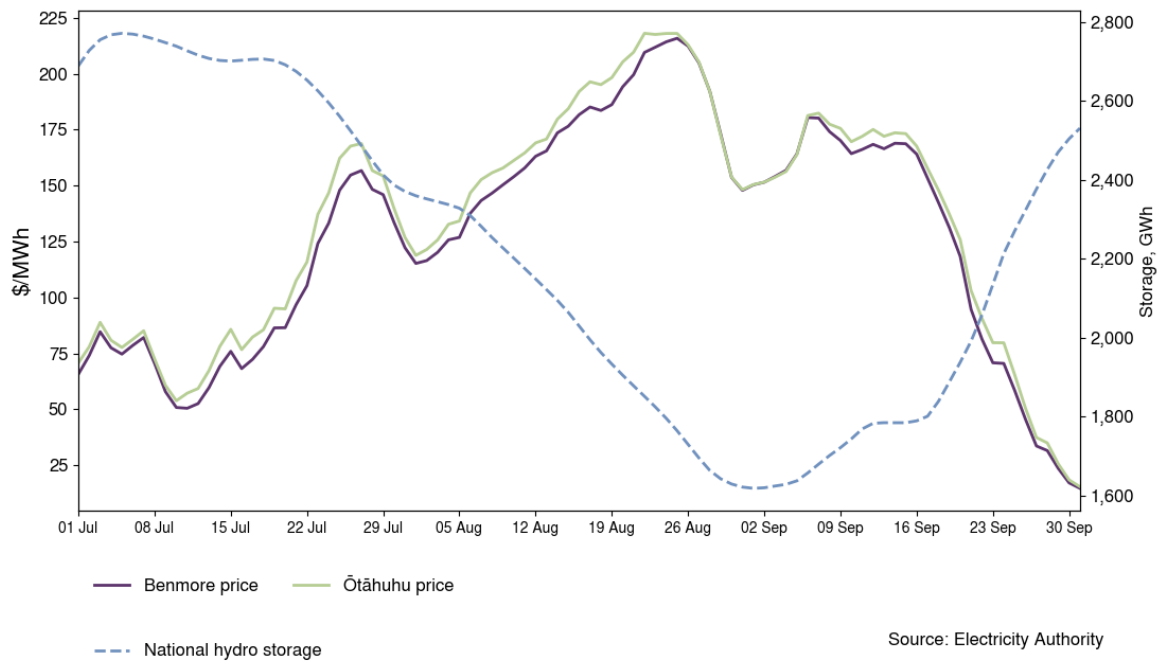


4.14 Figure 11 shows the rolling seven-day average wholesale prices at Benmore and Ōtāhuhu and the daily national hydro storage.

4.15 The amount of hydro energy in storage is the final element that affects wholesale electricity prices. High amounts of hydro storage keep prices lower, while low storage levels typically correlate with higher prices. This is not always clear on a day-to-day basis, but is easier to see over a rolling average, as in Figure 11.

4.16 Prices at both island reference nodes increased through July and August as hydro storage decreased. Then, from early September, hydro storage began increasing and wholesale prices fell.

Figure 11: Rolling seven-day average of wholesale price versus hydro storage, July to September 2025

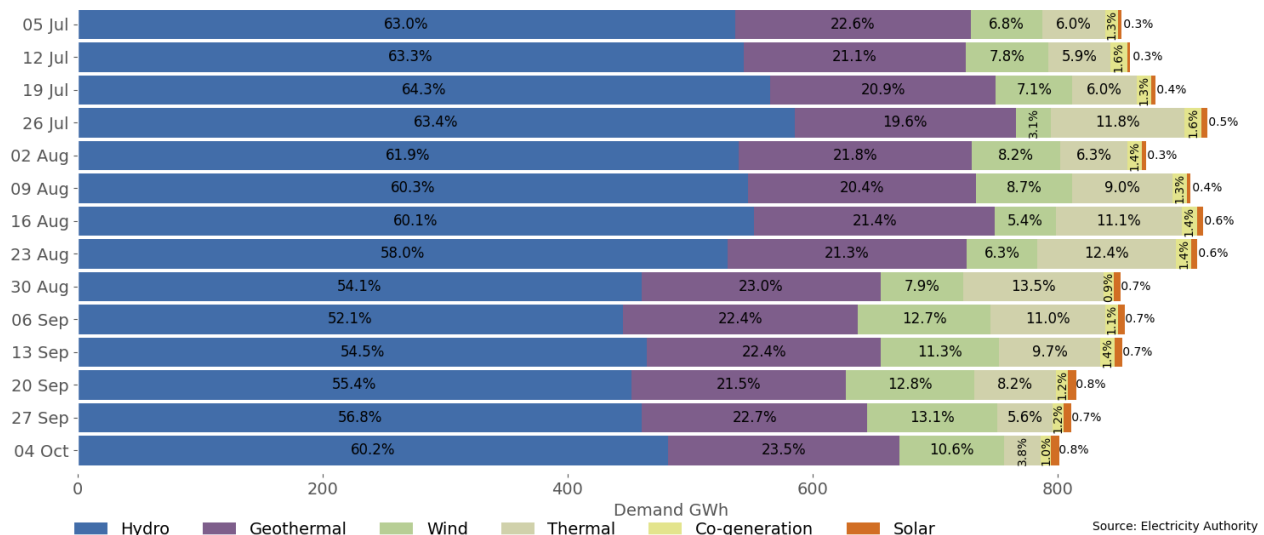


Source: Electricity Authority

Generation by fuel type

- 4.17 Figure 12 shows the weekly breakdown of electricity generation by fuel type. The weekly share of thermal generation was lowest when both wind and hydro generation were high. When wind or hydro generation is low, thermal generation generally increases to compensate.
- 4.18 The proportion of hydro generation fell during this quarter as hydro storage declined, reaching its lowest at the beginning of September. The rest of September saw increased inflows, and the proportion of hydro generation increased as a result. September also saw the proportion of wind generation remain consistently above 10%.
- 4.19 Thermal generation increased during the quarter as demand increased, and hydro generation fell. Towards the end of the quarter, however, the proportion of thermal generation fell as demand decreased, and wind and hydro generation both increased.

Figure 12: Weekly generation share by fuel type, July to September 2025

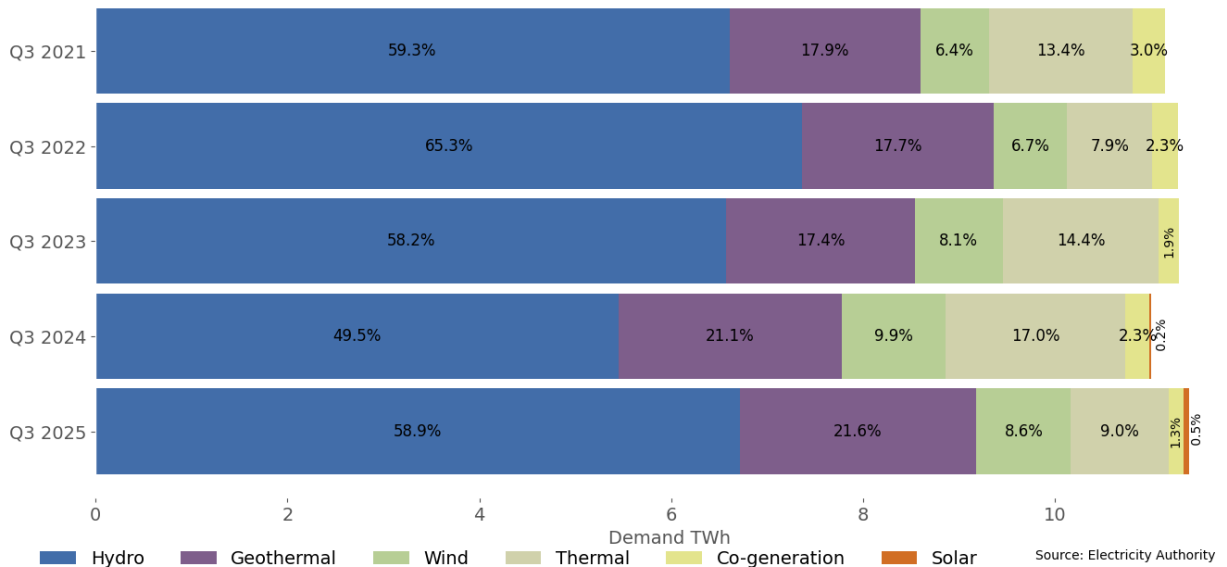


Source: Electricity Authority

4.20 Figure 13 shows the quarterly breakdown of electricity generation by fuel type relative to the quarterly demand. Demand was higher in Q3 2025 compared to Q3 in other years. Q3 2024 demand was lower than previous years, partly due to the Tiwai Point smelter demand response.

4.21 The proportion of hydro generation this quarter was higher than in Q3 2023-24. Compared to Q3 2021 and 2023, when the proportion of hydro generation was similar, there was less thermal generation due to geothermal, wind and solar capacity increasing.

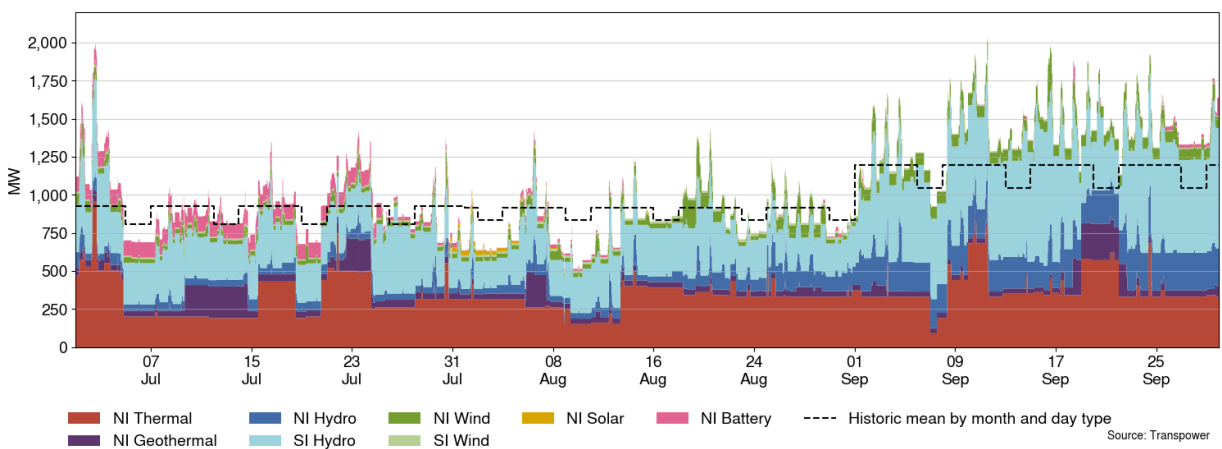
Figure 13: Generation by fuel type for Q3, 2021-2025



Outages

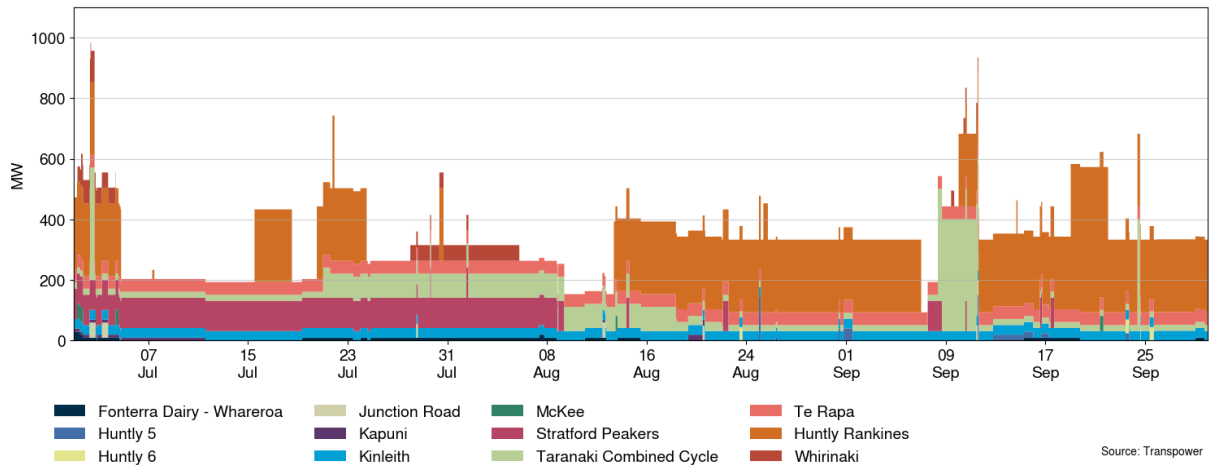
4.22 Figure 14 shows how much generation was on outage in Q3 2025. Generation outages were mostly below or close to historic average values for this time of year, other than during September, where several hydro outages led to above average outages.

Figure 14: Total MW loss from generation outages, Q3 2025



4.23 Figure 15 shows which thermal generation was on outage in Q3 2025. All three Huntly Rankine units experienced outages during the quarter. One Stratford peaker returned from a long-term outage in early August, while the second Stratford peaker experienced multiple shorter outages over the quarter.

Figure 15: Total thermal generation outages, Q3 2025

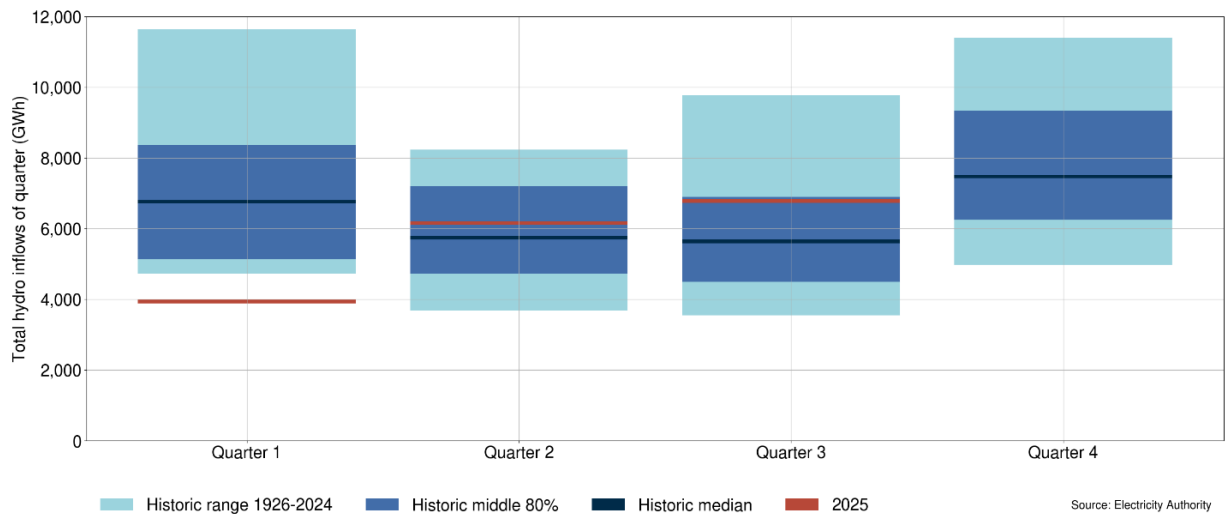


5. Water storage levels

National hydro storage levels

5.1 Figure 16 shows the inflows to hydro catchment areas for Q3 2025. Total inflows during Q3 were ~6,700GWh, which is ~1,100GWh above historic median levels.

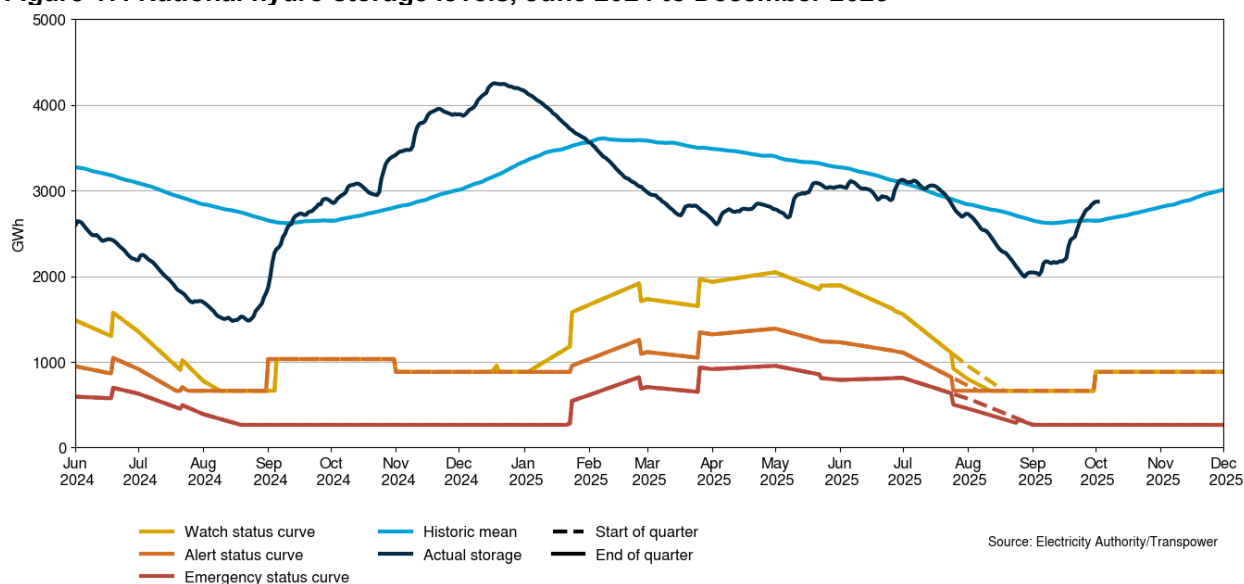
Figure 16: Total national hydro inflows for Q3 2025 compared to historic quarters, 1926-2024



5.2 Figure 17 shows the national hydro storage levels from June 2024 to December 2025.

5.3 During the quarter, the emergency risk curves (ERCs) for August decreased slightly and otherwise did not change. This decrease was driven by an increase to coal stockpile forecasts, gas storage and forecast gas production. National hydro storage declined below mean during August but then rose above mean by the end of September.

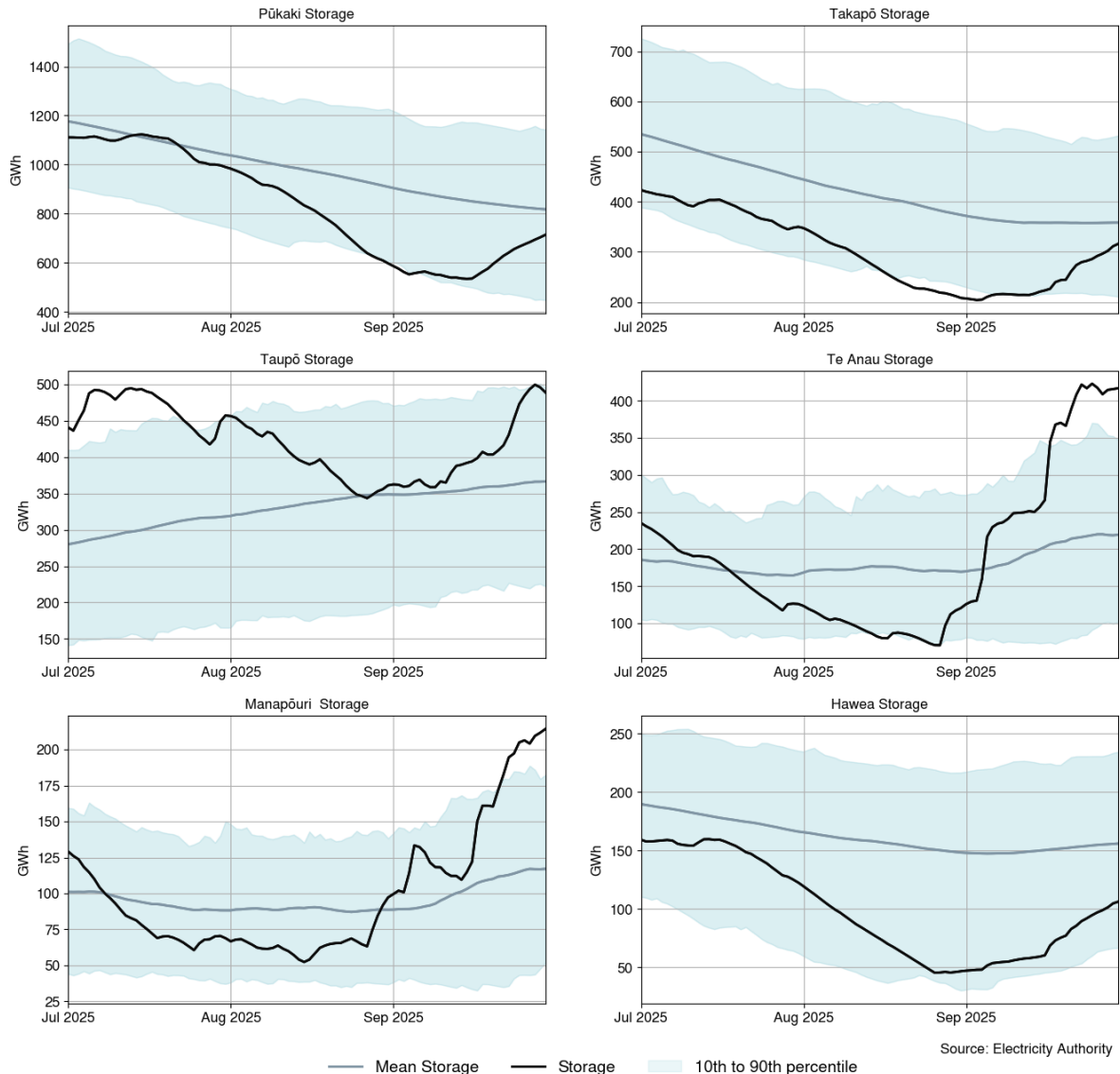
Figure 17: National hydro storage levels, June 2024 to December 2025



Lake storage levels

- 5.4 Figure 18 shows individual lake levels for July to September 2025 and the difference location can have on hydro inflows.
- 5.5 Pūkaki storage was close to mean during the first half of July but fell to below the 10th percentile by early September. In the latter half of September, storage improved but was still below mean.
- 5.6 Takapō storage began the quarter below mean, falling below the 10th percentile towards the end of August. Takapō storage also improved during September but still finished the quarter below mean.
- 5.7 Taupō storage was above the 90th percentile in early July but fell to mean levels at the end of August. During September, storage increased to just below the 90th percentile.
- 5.8 Te Anau and Manapōuri storage started the quarter above mean, fell below the mean during July and August, and then increased above the 90th percentile by the end of September. These lakes reached capacity during this time and began spilling in mid-September.
- 5.9 Hawea storage declined during July and August and then increased during September, remaining below mean but above the 10th percentile for the duration of the quarter.

Figure 18: Lake storage levels for July to September 2025 versus historical average and 10th and 90th percentiles

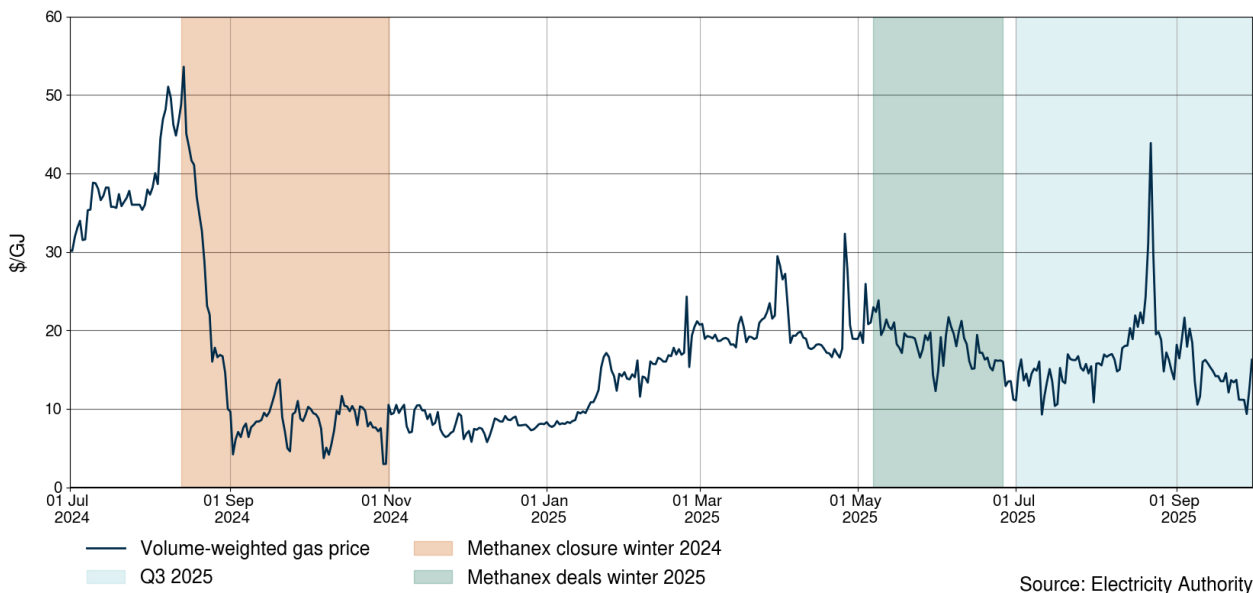


6. Wholesale gas prices, production and consumption

Gas prices

- 6.1 Figure 19 shows the daily volume-weighted average gas price for July 2024 to September 2025.
- 6.2 The average daily volume-weighted average price (VWAP) for gas in Q3 2025 was \$16/GJ. This is a decrease of \$3/GJ compared to Q2 2025 and a decrease of around \$11/GJ compared to Q3 2024.
- 6.3 Gas prices spiked on 22 August during this quarter, coinciding with a rise in gas consumption. By September, both prices and consumption returned to July levels.

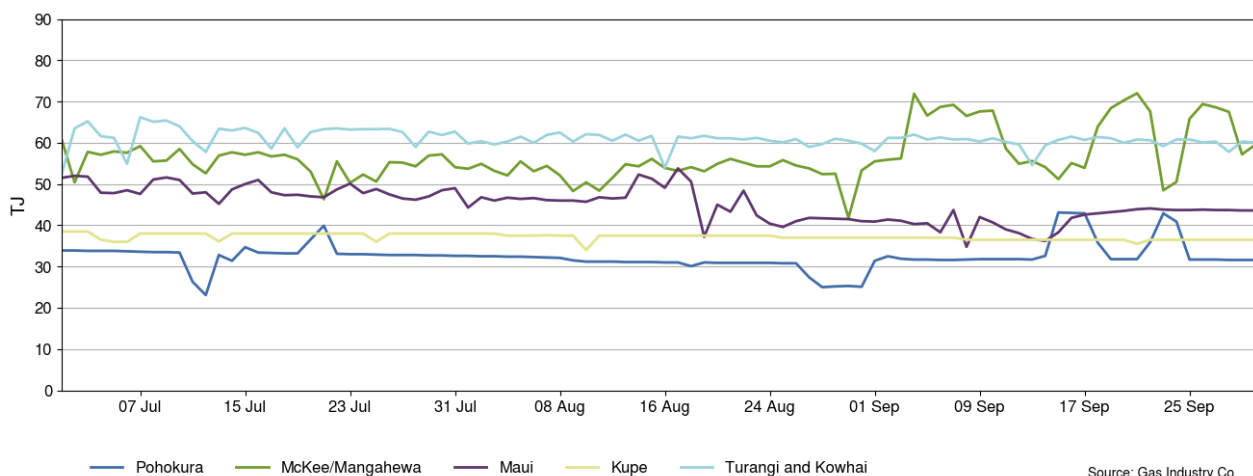
Figure 19: Daily volume-weighted average price for gas, July 2024 to September 2025



Gas production

- 6.4 Figure 20 shows daily gas production at major fields between July to September 2025.
- 6.5 Total gas production for Q3 2025 ranged from 206-247TJ/day. Minimum total production was 4TJ/day lower than last quarter's minimum and maximum total production was around 7TJ/day lower than last quarter.
- 6.6 McKee/Mangahewa production increased from 4 September, with two new wells from a recent drilling programme coming online during September. With these new wells online, McKee/Mangahewa production varied between 49-72TJ/day. Prior to this, production varied between 42-61TJ/day.
- 6.7 Production at Pohokura varied during the quarter between 23-43TJ/day, Maui production between 53-54TJ/day, Kupe production between 34-39TJ/day, and Turangi and Kowhai production between 52-66TJ/day.

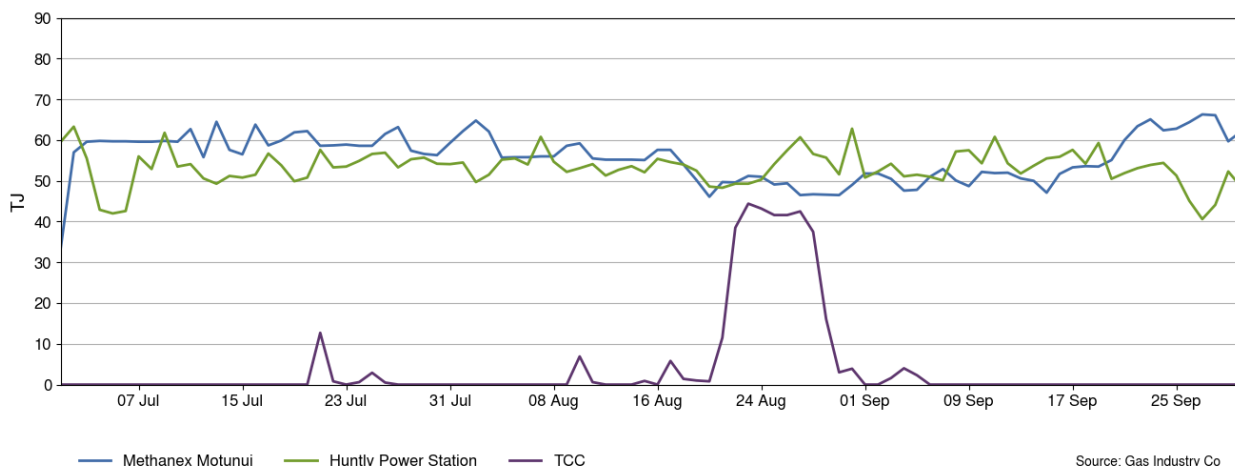
Figure 20: New Zealand gas production, July to September 2025



Gas consumption

- 6.8 Figure 21 shows the daily gas consumption by major users between July to September 2025.

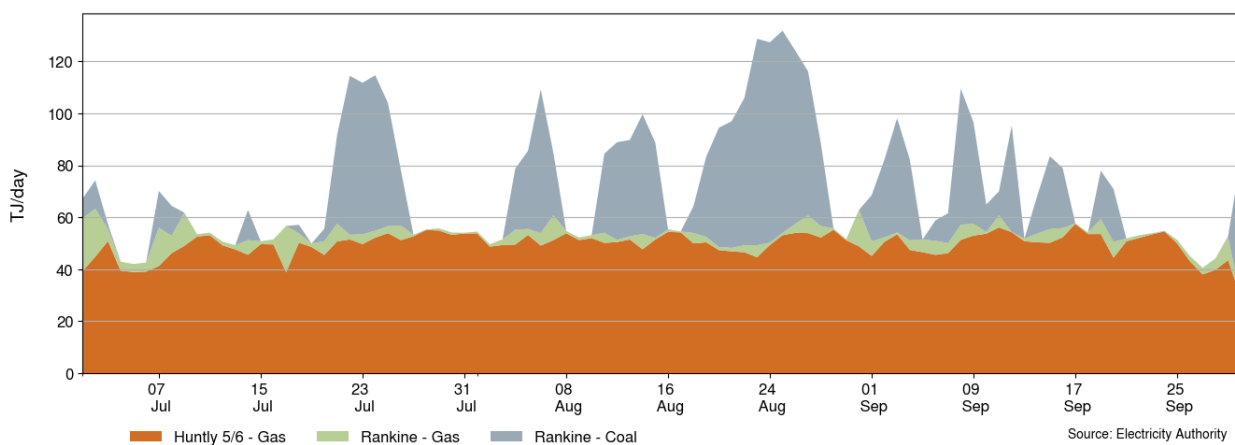
Figure 21: New Zealand gas consumption, July to September 2025



Source: Gas Industry Co

- 6.9 The deal between Methanex, Genesis Energy and Contact Energy to reduce production and make gas available to generators finished at the end of June, with Methanex Motunui consumption climbing during the first two days of July as a result. Methanex Motunui consumption increased further at the end of September as its all-of-government contract came to an end.
- 6.10 There was gas consumption from TCC (Taranaki Combined Cycle) during the quarter, with the majority occurring during the second half of August. Huntly gas consumption ranged from 41-63TJ/day across the quarter.
- 6.11 Figure 22 shows the estimated daily total energy consumption across all Huntly units between July to September 2025.

Figure 22: Estimated Huntly fuel consumption, July to September 2025



Source: Electricity Authority

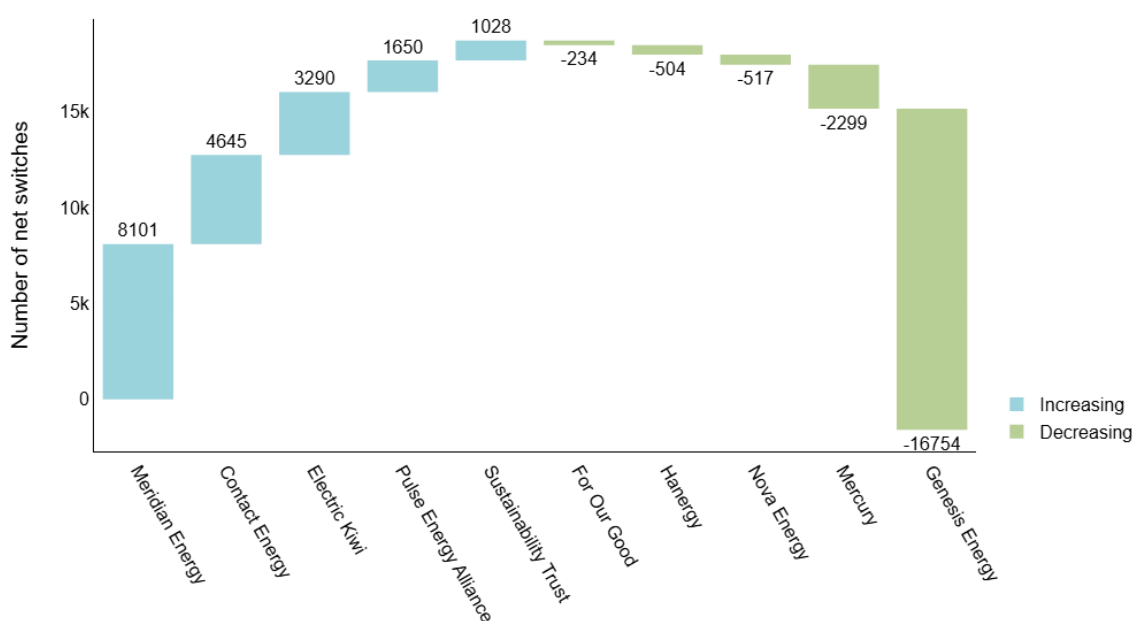
- 6.12 Huntly gas consumption was relatively consistent across the quarter, with consumption declining slightly at the end of September before Huntly 5 turned off on 1 October.
- 6.13 Coal consumption peaked during late July’s cold snap, and then increased during August as demand increased, reaching peak consumption on 25 August. Coal consumption then declined for the rest of the quarter.
- 6.14 The coal stockpile has continued increasing through Q3 and reached ~1,053kt as of 28 September 2025.

7. Retail electricity

Retailer switching

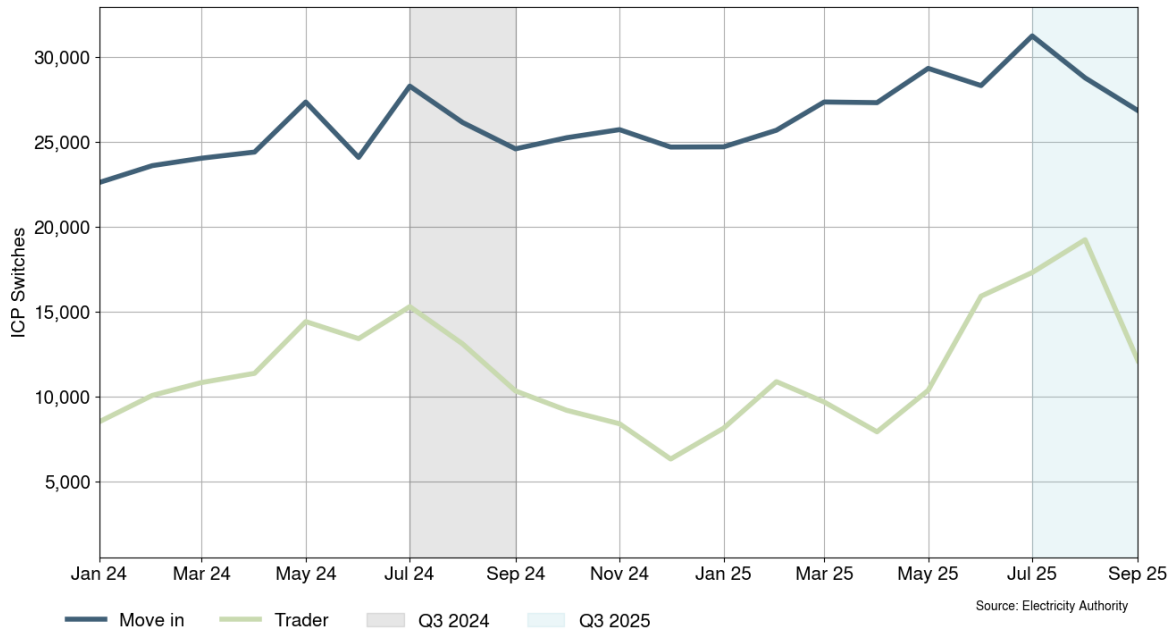
- 7.1 Figure 23 shows the top 5 retailers who gained and the bottom 5 retailers who lost the most electricity connections (ICPs) between July and September 2025.
- 7.2 Meridian had the largest net gain in ICPs this quarter at 8,101 net switches. Contact Energy and Electric Kiwi had the next highest gain of 4,645 and 3,290 respectively.
- 7.3 The retailer with the biggest net loss of ICPs in Q3 2025 was Genesis (16,754). Most of these losses are from its subsidiary brand Frank Energy, which was consolidated into the Genesis brand in September.

Figure 23: Top five increases and bottom five decreases in ICP net switching by retailer, July to September 2025



- 7.4 Figure 24 shows the number of ICPs that have changed electricity suppliers between January 2024 and September 2025 categorised by type 'move in' and 'trader'. Move in switches are switches where the customer does not have an electricity provider contract with a trader. In contrast, trader switches are switches where the customer does have an existing contract with a trader, and the customer obtains a new contract with a different trader.
- 7.5 The light blue highlighted section shows switches across the most recent quarter from July to September 2025, while the grey highlighted section shows the same quarter for 2024. Move in switches during Q3 2025 increased in July, before decreasing in August and September. Trader switches increased in both July and August and then decreased in September.
- 7.6 For both move in and trader switches, the number of switches in each month during Q3 2025 was higher than the number of switches for the same month in Q3 2024.

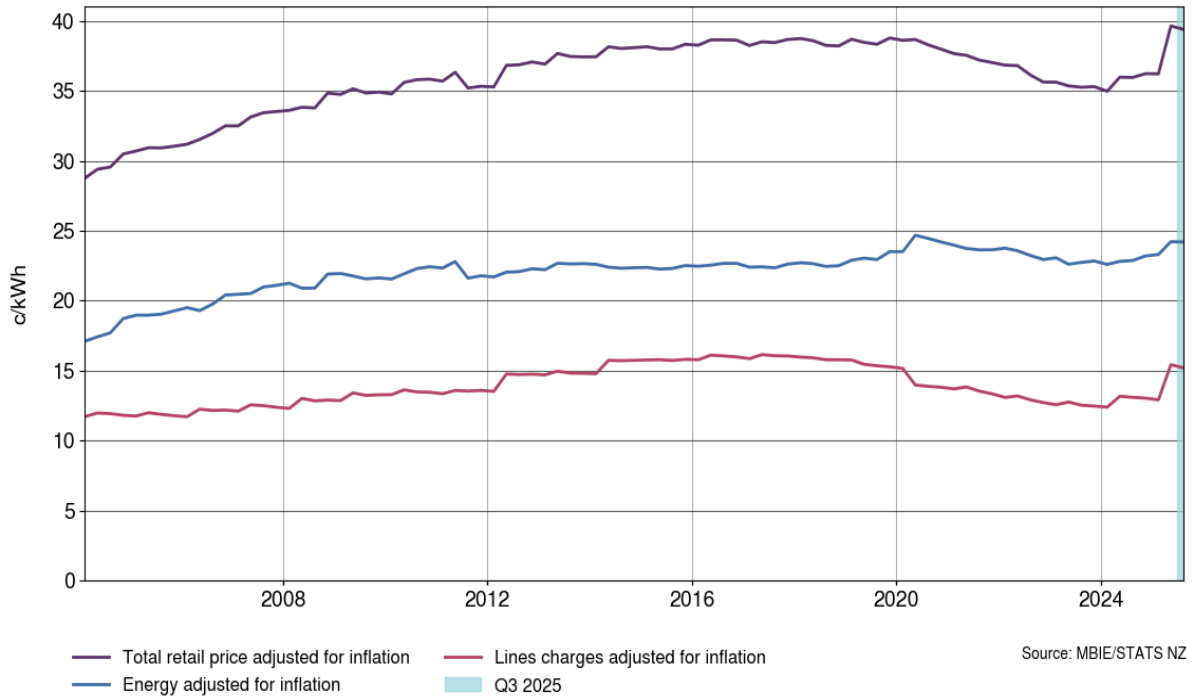
Figure 24: Breakdown of monthly ICP switching by type, between January 2024 and September 2025



Retail prices

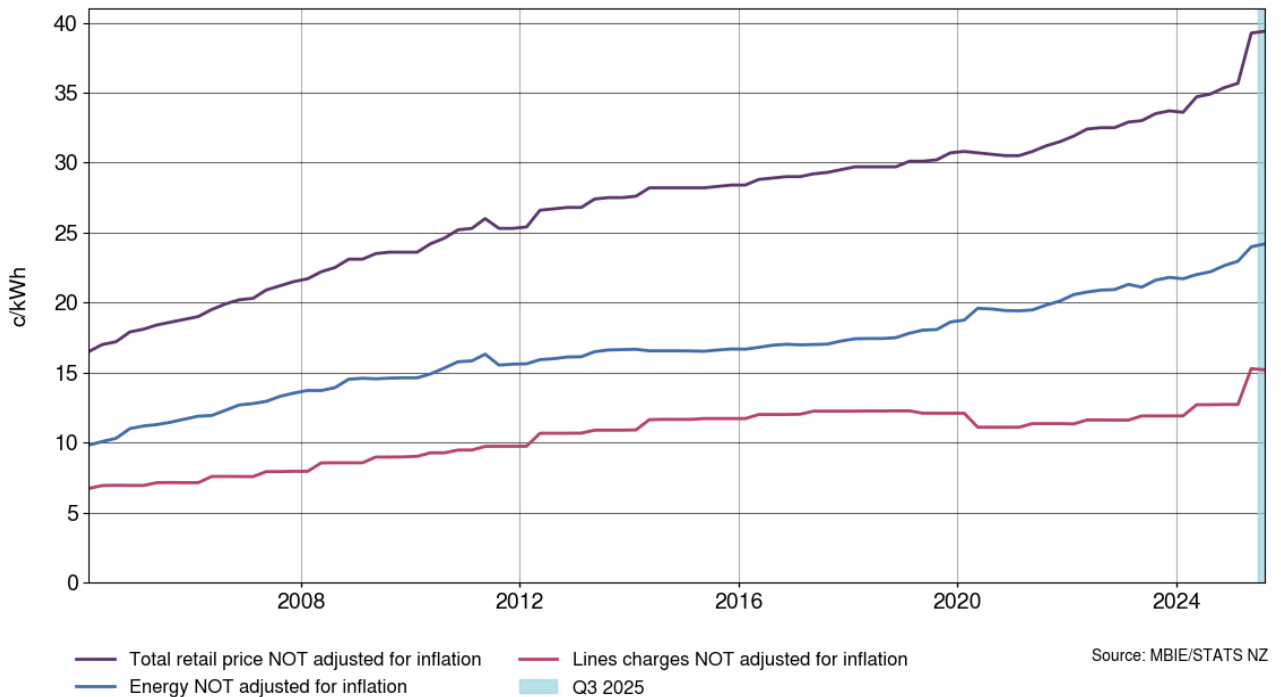
- 7.7 Figure 25 shows the domestic electricity price by component (QSDEP) adjusted for inflation from 2004 to September 2025. When adjusted for inflation, prices declined slightly this quarter. This was mostly due to a slight decrease in the lines charges component of retail price, after it increased significantly in Q2 this year. The energy component of retail price, when adjusted for inflation, stayed flat this quarter.
- 7.8 However, in the last 12 months inflation-adjusted values of domestic electricity prices rose by 10%. For a typical household using 8,000kWh annually, this increase equates to an extra \$274 per year, adjusted for inflation, on their bill compared to one year ago.

Figure 25: Domestic electricity prices by component adjusted for inflation (base Q3 2025 CPI)



7.9 Figure 26 shows the domestic electricity prices by component without adjusting for inflation. In the last 12 months, nominal values rose by 13%.

Figure 26: Domestic electricity prices by component without inflation adjustment

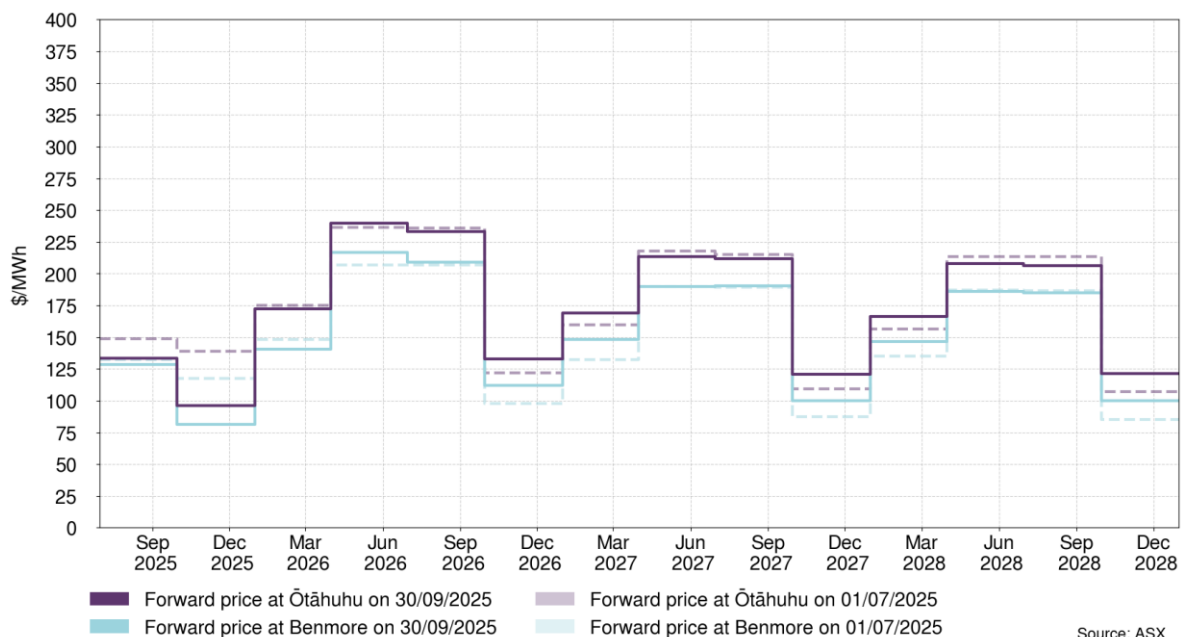


8. Forward market and carbon pricing

Forward pricing

- 8.1 Figure 27 shows the quarterly forward prices up to 2028, with the first snapshot (dashed lines) at the beginning of July 2025 and second snapshot at the end of September 2025 (solid lines).
- 8.2 Q3 started with September 2025 future prices at around \$140/MWh, dropping to around \$131/MWh by the end of the quarter. December 2025 future prices saw the largest decrease of around \$40/MWh by the end of the quarter. These decreases were likely due to improving hydro storage towards the end of the quarter.
- 8.3 Long term futures saw mostly increases to summer contracts (quarters one and four), while winter contracts mostly stayed relatively steady (quarters two and three).

Figure 27: ASX forward prices for the start and finish of Q3 2025



Source: ASX

Carbon pricing

- 8.4 Figure 28 shows the New Zealand carbon unit price between July 2024 and September 2025 as recorded by the European Capital Markets Institute.
- 8.5 Carbon unit prices stayed relatively steady over Q3 2025. The mean carbon unit price in Q3 2025 was \$57/NZU. The carbon unit price was \$56/NZU at the start of July and was \$57/NZU at the end of September.

Figure 28: New Zealand Units price, July 2024 and September 2025

