KIWIPOWER

Power for all of us.

Lower bills. Cleaner energy.
Public ownership.

THE PROBLEM

NEW ZEALAND'S ELECTRICITY SYSTEM IS UNDER PRESSURE

In dry years, when hydro lakes are low and wind generation drops, the system relies more heavily on gas and coal to keep the lights on. That pushes up wholesale electricity prices and flows through to households, businesses and industry.

Gas has been the main source of firming for the electricity system, but domestic supply is declining faster than expected. That makes **firming** more expensive and less reliable. The result is higher bills, more risk for manufacturers and food producers, and more pressure on regional jobs.

The Government's proposed LNG terminal would not solve this.

Firming means the flexible electricity supply or demand response that keeps the system reliable when renewable generation is low or demand is high. It is different from peaking, which is short bursts of power for brief demand spikes, and baseload, which is steady generation that runs most of the time.

It would expose New Zealand to volatile international gas prices, raise the cost of electricity, and lock the country into imported fossil fuel infrastructure when we should be building clean, secure alternatives.

WHY THIS MATTERS

A lack of affordable firming is one of the biggest barriers to a fully renewable electricity system.

It makes new renewable projects harder to finance, protects the market power of the big electricity companies, and keeps prices higher than they need to be.

Kiwipower will break that bottleneck. By securing firming and investing in new renewable firming, it will support more wind, solar and other clean generation to be built.

It will also give independent retailers and generators access to the support they need to offer reliable electricity to customers. To get to a fully decarbonised energy system we need to build more intermittent renewable energy sources than the market on its own will deliver – Kiwipower supports us to do that.

WHY PUBLIC OWNERSHIP

The firming needed to keep the system reliable is expensive, long-lived and essential. It is exactly the kind of infrastructure public ownership is designed for. Privately owned power companies have a strong incentive to restrict access and maximise profits.

Kiwipower will be publicly owned, accountable to a Minister, and governed by a board with energy, consumer, iwi and Māori energy, climate, environmental, contracting and procurement expertise.

Its job will be to serve the public interest, not private shareholders.

HOW KIWI POWER WILL WORK

Kiwipower will have three main tools:

1. **Contracting access to existing firming**, including parts of hydro and thermal generation now controlled by the big power companies;
2. **Investing in new renewable firming and storage;**
3. **Offering fair contracts to independent retailers,** generators and energy users so they can compete on a more level playing field.

The big power companies will be required to offer a portion of their firming capacity through a regulated access obligation, with a fair return. If they do not provide enough firming at reasonable prices, Kiwipower will increase its own investment and procurement.

The message is simple:
If the big companies do not act in the public interest, they will face a publicly owned competitor that will.

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27/28	28/29	29/30	30/31	Total opex
$100m	$102.1m	$104.2m	$106.3m	**$412.6m**

27/28	28/29	29/30	30/31	Total capex
$142m	$142m	$142m	$142m	**$568m**

TIMELINE AND ACCOUNTABILITY

Kiwipower will be established by the end of 2027, with legislation passed and a board appointed.

It will be able to scale up its activity if the big power companies fail to build enough new generation or offer fair contracts to smaller retailers and customers.

THE RESULT

Kiwipower will help deliver lower and more stable power prices, a stronger renewable electricity system, and real competition in the electricity market.

It will give New Zealand a publicly-owned energy company focused on secure, affordable and clean power for everyone.

THE SOLUTION

THE GREEN PARTY WILL ESTABLISH KIWIPOWER

A new publicly owned energy company that will help make electricity secure, affordable and clean.

Kiwipower will act as a public backstop for the electricity system. It will contract and build the firming New Zealand needs when hydro lakes are low, wind drops, or demand is high.

This will include geothermal, biomass, batteries, small pumped hydro and demand response, where customers are paid to shift or reduce electricity use at peak times.

Kiwipower will make that firming available at fair, transparent prices to independent generators, retailers and large energy users.

That will help smaller players compete with the big power companies and reduce the risk of price spikes being passed on to consumers.

Green

www.greens.org.nz

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