



Chairman: Ben Gibson, [REDACTED]  
Secretary: David Inch, [REDACTED]

6 March 2026

Matthew Clark  
Manager, Transpower and Gas  
Commerce Commission  
Wellington  
By email: [infrastructure.regulation@comcom.govt.nz](mailto:infrastructure.regulation@comcom.govt.nz)

Dear Matthew,

**RE: Cross-submission on Transpower's Upper South Island MCP Draft decision**

The Independent Electricity Generators Association (IEGA) welcomes the opportunity to engage on the Commerce Commission's (Commission) draft decision to approve Transpower's Upper South Island Major Capital Project (USI MCP).<sup>1</sup>

The IEGA's interest is in the opportunity for new generation and/or energy storage investments to be contracted as non-transmission solutions (NTS) to defer, or avoid, the need for traditional transmission investment.

The opportunity to contract NTS to defer capital investment in USI transmission infrastructure was also a focus of the submissions by Orion and Slowjam Energy. The IEGA notes Slowjam Energy's comment that Transpower has not tested whether a BESS-solar-wind development would affect the transmission upgrade need date<sup>2</sup>.

Other information has been provided in submissions that reinforces the IEGA's view that the need date should be reviewed or continually under review:

- Orion's analysis of the starting actual peak demand relative to Transpower's forecast: *"Actual USI winter peak demand in 2025 was 1,171 MW, around 156 MW (-12%) less than Transpower's expected forecast, and around 230 MW lower than the prudent demand level used to calculate the need for investment. The peak of 1,171 MW excludes all generation in the USI at the time of peak, so the actual demand on the lines supplying the USI was lower."*

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<sup>1</sup> The Committee of the IEGA has signed off this submission on behalf of members.

<sup>2</sup> Slowjam Energy [submission](#) page 2 of the pdf "Separately Transpower examined whether BESS-solar-wind development would alter the financial ranking of three transmission upgrade options, but did not test whether it affects the transmission upgrade need date (MCP attachment 6 section 4)."

That is, actual peak demand in 2025 was 156MW lower than Transpower's first year forecast. This 156MW difference is more than the estimate of the level of peak demand reduction in 2029 and 2030 Transpower is requiring from contracting any NTS.<sup>3</sup>

- Generation from the Mt Cass wind farm should be included as this project should be considered committed (highlighted by Slowjam Energy and Buller Electricity). Construction is also well progressed of Lodestone's Clandeboye solar farm - expected to generate 43GWh annually.<sup>4</sup>
- Slowjam Energy has provided comprehensive analysis of the opportunity for a BESS-solar-wind development to defer the USI MCP. The IEGA strongly supports Slowjam Energy's suggested logical next step: *"Its purpose is to demonstrate that further investigation is worthwhile. If the relevant stakeholders were aligned as to technical feasibility, then a logical next step would be to quantify financial benefits under a 'real options' framework and liaise with the Commerce Commission to develop a commercial model."*<sup>5</sup>
- Slowjam Energy also points out that *"Importantly a BESS can provide both active and dynamic reactive power, thereby helping manage both thermal loading and voltage-stability constraints"*.<sup>6</sup> This is in addition to managing a BESS to reduce demand on the transmission network during periods of transmission constraint.

The IEGA agrees with Orion that *"the evidence strongly suggests that implementation should be delayed until further demand data confirms the need date, minimising the risk of consumers funding an upgrade earlier than necessary. With appropriate conditions and active exploration of deferral options, we consider this approach will deliver the best outcomes for USI electricity consumers"*.<sup>7</sup> As stated previously (and as happened during development of Transpower's preferred option) IEGA members look forward to engaging with Transpower to ensure timely identification and contracting of NTS for the USI MCP.

Nothing in this submission is confidential.

Yours sincerely

**Ben Gibson**

Chair

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<sup>3</sup> See Figure 1 Attachment 8 of Transpower's USI MCP Application

<sup>4</sup> See [https://www.linkedin.com/search/results/all/?keywords=%23clandeboye&origin=HASH\\_TAG\\_FROM\\_FEED&sid=V%2Cz](https://www.linkedin.com/search/results/all/?keywords=%23clandeboye&origin=HASH_TAG_FROM_FEED&sid=V%2Cz)

<sup>5</sup> Slowjam Energy [submission](#) page 6 of the pdf / page 2 of the attachment

<sup>6</sup> Slowjam Energy [submission](#) page 5 of the pdf / page 1 of the attachment

<sup>7</sup> Orion [submission](#) paragraph 52