

## Release

Stock Exchange Listings NZX (MEL) ASX (MEZ)

# Meridian welcomes Government reforms

1 October 2025

Meridian Energy welcomes the release of the Government's response to the review of the energy sector undertaken by Frontier Economics.

"There's been a huge amount of speculation about what the Government would propose, and it's great to now have clarity," says Meridian Chief Executive Mike Roan.

Meridian welcomes the Government's willingness to participate in equity capital raisings by Mixed Ownership Model companies such as Meridian as a means of bringing forward investment in new generation and firming capacity.

"This is bold. It's the biggest change to our capital investment settings since we were listed in 2013, and we acknowledge the Government's commitment to help the country move forward. This will add even greater momentum to our development pipeline, and building new generation is the best way to improve energy security and affordability," says Mike Roan.

Meridian is also supportive of the Government's focus on addressing the issues with gas supply, strengthening the power of the industry regulator and changes to the security of supply regime to make it more robust.

"The unexpected loss of gas has been clearly identified as the key factor behind fuel shortages in Winter 2024 and Meridian is pleased to see the Government is looking at initiatives to remedy this, such as improving transparency around gas supply and the procurement of an LNG import facility," says Mike Roan.

"While the timing and pricing for that facility will be confirmed in the coming months, it is particularly important for gas customers and this could be an important part of the mix the sector needs to insure against dry-year risk, together with the Huntly Strategic Reserve and other measures."

The Government's approach to supporting capital raising is outlined in the attached letter from Hon Nicola Willis on behalf of Meridian's shareholding Ministers.

Copies of all documents released by the Government are available [here](#).

## ENDS

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30 SEP 2025

Barbara Chapman  
Chair, Genesis Energy  
By email

Scott St John  
Chair, Mercury NZ  
By email

Mark Verbiest  
Chair, Meridian Energy  
By email

Dear Chairs

Further to my recent discussions with you, I am writing to reiterate the Crown's expectations, as majority shareholder, of the crucial role each of your companies has in New Zealand's electricity market. I know this is a role and a responsibility that your companies take extremely seriously. As discussed further below, this letter supplements the letter your companies received from the Minister of Finance on 15 June 2018. This letter reinforced, among other matters, that each of you should make commercial decisions, and your boards and management are responsible for decision making.

This Government is focused on ensuring that the electricity market functions effectively, delivering secure and affordable electricity for all New Zealanders, and addressing dry-year risk.

The Government has identified that reform is required, and will shortly publish its response to the review undertaken by Frontier Economics. In particular, the Government will pursue a balanced package of measures that secures fuel, incentivises firming capacity, and strengthens regulation while maintaining strong momentum for renewable investment. The Government supports a market-led response, and is focused on reducing barriers to investment and providing greater confidence for the market to invest.

The Frontier Economics report stated that the Mixed Ownership Model companies, in which the Crown is a 51 per cent shareholder, have faced constraints on their ability to invest in larger generation projects, because of a perception that the Government would not provide equity injections to support those investments.

I want to assure you that this perception is incorrect. Where it supports the Government's energy security and affordability objectives, the Government has confirmed it is open to participating in equity capital raisings by the Mixed Ownership Model companies. This approach will preserve the Crown's majority ownership, in line with the legislative requirement for the Crown to retain 51 per cent of the Mixed Ownership Model companies.

I expect each of your companies to seek out and bring forward commercially sound opportunities for new generation and firming capacity. The Government will look favourably on requests for Crown investment in generation capacity where they:

- Stack up commercially,
- Are supported by your other shareholders, and
- Directly advance the Government's goals for secure and affordable energy supply – for example through the provision of firming capacity (such as thermal) that addresses dry-year risk.

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If your boards require further information or assurances to support your consideration of potential projects, I encourage each of you to engage bilaterally with shareholding Ministers and officials at the Treasury as soon as possible. The Government is determined that barriers, including perceptions about access to capital, should not impede consideration of commercially sound projects.

The Government expects that delivering the above objectives and meeting the Government's expectations will be aligned to the creation of long-term value for each of your companies, their shareholders, employees and stakeholders. As a result, nothing in this letter or the 2018 letter, and none of the Government's objectives or expectations, conflict with the duties of your respective directors, including their duty to act in the best interests of each of your companies.

The expectations above do not alter the fundamental principles of the relationship between the Crown as majority shareholder and each of your companies, with your respective boards of directors, Chief Executives and executive teams, not shareholders, being responsible and accountable for all company decisions. Except as set out in this letter, the Government's expectations in the letter from the Minister of Finance on 15 June 2018 remain in place.

Officials at the Treasury will contact each of you individually to discuss the above expectations. I look forward to your support as this Government strengthens New Zealand's electricity system.

Yours sincerely



Hon Nicola Willis  
**Minister of Finance**  
*on behalf of shareholding Ministers*

Copy                      Hon Simeon Brown, Minister for State Owned Enterprises  
                                 Hon Simon Watts, Minister for Energy  
                                 Malcolm Johns, Chief Executive, Genesis Energy  
                                 Stew Hamilton, Chief Executive, Mercury NZ  
                                 Mike Roan, Chief Executive, Meridian Energy

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