



Fonterra submission on Net Zero Grid Pathway

January 2024

Fonterra welcomes the opportunity to comment on submissions lodged for the Commission's draft decision on Transpower's Net Zero Grid Pathways project.

Fonterra is a dairy co-operative owned by around 9,000 New Zealand farming families with 27 manufacturing sites across the country, making us the country's largest exporter and a major supplier of dairy products to the domestic market.

Transpower's Net Zero Grid Pathways project is a significant undertaking that will enhance the capacity of electricity transmission in New Zealand. With manufacturing operations spread throughout regional New Zealand, Fonterra is a major user of electricity and we are reliant on a stable and resilient electricity grid.

Fonterra recognises the importance of the project to maintaining security of supply across the grid and ensuring New Zealand's electricity network remains fit for purpose as decarbonisation accelerates. In particular, we support Transpower's proposal to upgrade the capacity of the HVDC connection.

We agree with submitters about the importance of this project and that it should proceed without delay. The HVDC link is a critical component in New Zealand's electricity grid and is likely to play an increasingly important role as the country continues to decarbonise.

Supporting security of supply and lowering reserve costs are likely to outweigh added transmission charges. Upgrading the connection is a logical next step.

Fonterra would welcome further engagement on our submission.