



Submission to the Electricity Authority on the Transmission Pricing Review, 2019 issues paper.

Submitter: Grey Power New Zealand Federation Inc. (GPNZ)

Contact: Bern Sommerfeld GPNZ Energy National Advisory Group Chair

**1Thackeray Street,
R.D. 24
St Andrews 7988
South Canterbury
email lynbern@xnet.co.nz
phone 036126292**

We do not wish to provide a verbal presentation but if any further workshops are held by the Electricity Authority we would like to attend.

Introduction.

This submission is made on behalf of the Grey Power New Zealand Federation Inc.

GPNZF is a non-sectarian and non-party political advocacy organisation that aims to advance, promote and protect the welfare and well-being of older people.

GPNZ is made up of some 75 individual Associations with an overall membership of about 65,000.

We are the premier organisation representing older New Zealanders.

1.0 We have attended the Wellington workshop, studied the modelling presentation and have reviewed the consultation paper. The complex nature of this review has been well presented by the Electricity Authority (EA). We believe the EA should prioritise reducing prices for low users (because they pay a higher price than standard users) as opposed to choosing lower prices for the South Island and raising prices for the North Island.

2.0 GPNZF believes that the EA should prioritise a shift to time -of-use pricing and stop the lines companies from making it difficult for consumers to choose to use solar power (with higher fixed charges).

3.0 The history of transmission has been considered in our examination. The benefits outlined do not have any direct bearing on the well-being of older consumers. The majority of the New Zealand population live in the North Island. The consultation paper refers to development work on the transmission and the cost being carried by the consumers in the region where the work is being done.

Overall, we feel that the EA has misplaced its priorities.

- The EA allowed important generation in the Auckland area to close only a couple of years ago and now, with TPM, is driving prices up when those generators served to keep prices under control.
- The EA sanctions the situation where low users are paying more for delivered power and this interferes with mechanisms (distributed power and time-of-use-pricing) that provide real opportunities for consumers to save money.
- The EA may be serving the Gentailers well but it is not serving consumers well. We strongly recommend leaving transmission allocation alone and focusing on the important issues that will make a difference for all consumers. After 20 years of prices going up, we believe that the EA should focus on mechanisms that bring prices down and give consumers more control of how much they use from the grid and when.

5.0. GPNZF's database discloses that 60% of our members live north of Cook Strait. This will mean that these members will be subjected to increases in their power bills

6.0 The consultation paper completely ignores the older consumer in the modelling. Well-being is not considered in the paper. Efficiency is the driving force. In this technical field what is always overlooked in the equation is the end user. (consumer)

7.0 In response to section 2.26 of the consultation paper we offer these comments to Question 01.

How on-site generation can benefit the whole distribution system is not considered. Applying 21st century technology, distribution and transmission can be looked at in a different concept (mainly industrial users will benefit). The paper fails to appreciate the domestic consumer who through their own choice wishes to generate their own power source (solar, referred in 2.0 of our submission)

In many cases there will be consumers who will need to rely on the transmission and distribution system (some consumers will not be able afford solar energy)

8.0 Answer to Question 02.

What are your overall views on the Authority proposal for changes to the TPM Changes?

We do not agree with the proposal presented by the Electricity Authority for changes to the Transmission Pricing methodology, because the domestic consumer in the North Island will be affected by the proposed changes.

8.1 A higher price for electricity and little overall benefit.

8.2. Past reforms in the electricity industry (Bradford), have been presented as a reduction in the price of electricity; history has shown this has never been the case.

Recommendations:

GPNZF appreciates the opportunity to make this submission and recommends that the status quo situation remains. The transmission allocation should be left alone; the important factors that will make a difference for all consumers throughout New Zealand must be the focus.

As further developments occur in alternative generation, mini grids and distribution reform we will actively take part in any submission process.

We are disappointed that the Minister has not released the results of the Electricity Price Review; because of this we have had to pre-suppose a few things in our submission.

Bern Sommerfeld GPNZF Inc. Energy National Advisory Group Chair