

1 October 2019

James Stevenson-Wallace

Submissions

Electricity Authority

submissions@ea.govt.nz



Wellington Electricity  
Lines Limited

85 The Esplanade  
Petone, PO Box 31049  
Lower Hutt 5040  
New Zealand

Tel: +64 4 915 6100  
Fax: +64 4 915 6130

Dear James

### **Wellington Electricity submission — Transmission pricing review**

Wellington Electricity Lines Limited (WELL) welcomes the opportunity to make a submission in response to the Electricity Authority's (the Authority) consultation paper "Transmission pricing review" published 23 July 2019. This submission refers to this paper as the "Consultation Paper".

The Electricity Network Association (ENA) has provided a submission in response to the Consultation Paper. WELL supports the views of the ENA submission. This response is provided as a supplement to the ENA's submission.

WELL would like to re-iterate the ENA submission point on the removal of peak period price signals and replacing it with a fixed allocation. The proposed approach of removing peak demand pricing signals isn't consistent with what the EA are suggesting for Distribution pricing – that Distribution pricing is to become more cost reflective around peak demand periods. It is important that peak demand periods are signalled to encourage responses that either allows the higher price to recover the network reinforcement costs or consumers to receive the benefit of lower prices when load is used at non-peak demand periods.

If prices do not reflect congestion, then the additional investment to increase network capacity will be recovered across all customers. This is at odds with the discussions the Government's Electricity Price Review Advisory Panel held with market participants concerning changes required to deliver fairness and affordability for low income households.

If you have any questions or there are aspects you would like to discuss, please don't hesitate to contact Scott Scrimgeour, Commercial and Regulatory Manager, at [sscrimgeour@welectricity.co.nz](mailto:sscrimgeour@welectricity.co.nz).

Yours sincerely

---

Greg Skelton

**Chief Executive Officer**