



Genesis Energy Limited
The Genesis Energy Building
660 Great South Road
PO Box 17-188
Greenlane
Auckland 1051
New Zealand

T. 09 580 2094

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Electricity Authority
By email: submissions@ea.govt.nz

Avoided cost of transmission payments proposed for the Lower North Island

Genesis Energy Limited (**Genesis**) welcomes the opportunity to provide a submission to the Electricity Authority (**the Authority**) on the consultation paper *Draft list of distributed generation to qualify to receive avoided cost of transmission payments under regulated terms* dated 22 May 2018 (**consultation paper**).

Generally, Genesis supports the Authority's approach to assessing whether distributed generation plant is eligible for avoided cost of transmission (**ACOT**) payments as per the consultation paper.

It is our view that ACOT payments should only be made when transmission investment is *actually* being avoided i.e. it is demonstrable that consumers are benefitting from efficient investment in, and operation of, distributed generation.

Specifically, we support the Authority's draft list of distributed generation plant that is eligible for ACOT payments in the Lower North Island, which includes our own Hau Nui wind farm. Hau Nui, embedded at the Greytown grid exit point, helps reduce the N-1 security issues in the Wairarapa and accordingly is an actual avoided transmission cost.

If you would like to discuss any of these matters further, please contact me by email: margie.mccrone@genesisenergy.co.nz or by phone: 09 951 9272.

Yours sincerely

A handwritten signature in black ink, appearing to read "M. McCrone".

Margie McCrone
Regulatory Advisor