

10 December 2018

James Stevenson-Wallace
Chief Executive
Electricity Authority
By email to submissions@ea.govt.nz

Dear James

Consultation Paper – 2019/20 Appropriations

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority (EA) consultation paper, 2019/20 Levy-funded appropriations and indicative work programme, 13 November 2017.¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. MEUG supports the proposed expenditure for 2019/20 comprising:
 - operational appropriation of \$74.936m;
 - continuing the current 5-year (July 2017 to June 2022) contingent appropriation for managing the security of electricity supply of \$6m; and
 - the contingent electricity litigation fund of up to \$1m.
4. Two comments on the indicative work program follow:
 - Table 3 of the paper anticipates the Default Distribution Agreement will be completed in 2018/19. That may be optimistic. Some provision for 2019/20 may be prudent.
 - We welcome publication of the indicative net benefits to consumers for each project. Publishing the calculations and sources of those estimates would be helpful.
5. We note priorities in the indicative work programme in appendix A may change as events in the sector occur or from decisions arising from the Electricity Price Review. MEUG suggests the work programme may also be amended following lessons learned from the UTS claim and the Spring 2018 enquiry. MEUG welcomes the latter that will include the events leading up to and during the planned HVDC outage 22 to 27 November 2018 as set out in MEUG's letter to the EA of 30 November.

Yours sincerely



Ralph Matthes
Executive Director

¹ <https://www.ea.govt.nz/about-us/corporate-projects/201920-planning-and-reporting/consultations/#c17795>