



24 August 2021

Submissions
Electricity Authority
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By email: infoframework@ea.govt.nz

Submission on 'Improving the framework for the Authority's information gathering'

Contact Energy welcomes the opportunity to provide feedback on the Electricity Authority's discussion document entitled "Improving the framework for the Authorities information gathering" released for consultation on 6 July 2021.

Contact Energy supports the Authority's view that it needs to be well informed to effectively perform its functions under the Electricity Act in a market that is changing and evolving rapidly. We also understand the Authority's concerns that it is the monitoring functions where the Authority is directing its focus.

We support the submission made by ERANZ. However, we do have the following additional points which we wish to make which are in addition to the submissions made by ERNZ. Our focus is in two general areas. The first is how the proposes changes will result in better outcomes in relation to the sufficiency and timeliness of information and the second is that the Authority's analysis of cost verses benefits does not appear, on its face, to address compliance costs for all.

The Authority has said that current information gathering is missing important elements of information. The shortcomings with the three information gathering approaches used at present are described as resulting in insufficient information being provided and that information is not provided in a timely manner. The Authority has not however identified with any degree of specificity how the existing information gathering framework fails to provide important information necessary for the EA to undertake its statutory function that cannot be met by application of the three existing information gathering approaches.

Further, the Authority has not identified why and how information disclosure under the proposed amendment would address the short comings of sufficiency and timeliness that it says are a feature of information gathering under the existing framework.

We are also concerned that the Authority has not clearly identified the (structural or otherwise) limitations with the existing information gathering framework that make amendment or alteration of that framework possible to address current information gathering short comings.

Based on the Authority's analysis in the discussion document, we are not clear whether the proposed changes are proportionate and reasonable when comparing the effect of the

proposed changes with the shortfall in information currently gathered under the existing framework.

The Authority provides analysis that the proposed amendment's benefits are expected to outweigh the costs. Our concern is whether the Authority is fulfilling the objective of the Act of increasing economic efficiency by effectively requiring increased and dedicated reporting response in each of the reporting entities and within its own organisation.

The cost benefit analysis undertaken in the discussion document does not appear to give adequate weight to the likely compliance cost increase for all reporting entities and the Authority itself. We are also concerned that while reference is made in the discussion document to standardisation and use of technology to lead to reduced overall cost – there is no specifics on how this is to be achieved.

As we have already indicated we support and adopt the submissions of the ERANZ and consider that Option 2 is the preferred approach to improving the framework of the Authority's information gathering.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Chris Abbott', with a stylized, scribbled end.

Chris Abbott
Head of Regulation and Government Relations