



251 Racecourse Road, PO Box 1642,
Invercargill 9840, New Zealand
P: 03 211 1899
F: 03 211 1880
E: enquiries@powernet.co.nz

**Submission of PowerNet Limited
To Electricity Authority
On Transmission Pricing Methodology**

2 December 2021

1. Introduction

- 1.1 The Electricity Authority (Authority) have been working in conjunction with System Operator Transpower to develop a new Transmission Pricing Methodology (TPM). In October 2021 the Authority published a proposed TPM Consultation paper and associated documentation, including a proposed new TPM prepared by Transpower.
- 1.2 PowerNet Limited (PowerNet) appreciates the opportunity to make a submission to this.
- 1.3 PowerNet is an electricity management company with head offices based in Invercargill. We manage the non-exempt electricity distribution businesses (EDB's) of Electricity Invercargill Limited (EIL) and OtagoNet Joint Venture Limited (OJV), the exempt EDB of The Power Company Limited (TPCL) and the non-grid connected Stewart Island Electric Supply Authority (SIESA). PowerNet is a joint venture company, owned (50/50) by TPCL and EIL.
- 1.4 PowerNet manage an asset base and investments in excess of NZ\$1 billion. It provides services to over 73,000 customers through more than 14,100 circuit kilometres and manage the fourth largest suite of EDB assets in New Zealand. TPCL operates in Southland and West Otago, EIL in Invercargill and Bluff, OJV in Frankton, Cromwell and Wanaka and the rural and coastal Otago region that surrounds Dunedin City and SIESA on Stewart Island.
- 1.5 This PowerNet submission is on behalf of EIL, TPCL, and OJV and provides feedback with respect to the preliminary views in the paper.

2. Comments

- 2.1 There are no specific issues identified by the networks PowerNet manage in relation to the proposed TPM. We acknowledge the significant volume of work undertaken to consider the complex range of inter-connecting issues and options relevant to transmission pricing.
- 2.2 PowerNet support the need for the Authority to continue to give due consideration to all issues raised during the consultation, but implore the Authority to continue to progress decisions with sufficient haste to allow impacted organisations to progressing planning for implementation from 2023.



- 2.3 Once a decision is made on the TPM, it will be important to access more detailed information regarding the practical implications of the TPM at a regional level, down to at least a grid exit point level. This is required to provide clarity and certainty of pricing impacts.
- 2.4 We note that current detail provided in the TPM consultation groups the networks PowerNet manage into a consolidated number. As outlined in para 1.3 above, PowerNet are responsible for three different electricity distribution networks. Accordingly we require clarity of outcomes within each network to allow pricing impacts to be understood and managed.

3. General Observation

- 3.1 We thank Transpower and the Authority for the work undertaken to date. We appreciate the opportunity to make a submission and look forward to receiving further detail and clarity in 2022.

PowerNet Contact

PowerNet's contact for this submission is: **Dion Williams**
Regulatory Manager
dwilliams@powernet.co.nz or (03) 211 1899