



Corporate Office

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8 December 2020

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

By email: appropriations@ea.govt.nz

Powerco submission on 2021/22 Levy-funded appropriations

Powerco appreciates the opportunity to comment on the Electricity Authority's Consultation Paper. We commend the Authority for producing a concise and well organised consultation paper. This made it easy to read and evaluate.

As a distributor of electricity, we play a key role in enabling many of the Authority's initiatives. Unlike the Authority, we can't apply for allowances to deliver these initiatives each year. Our costs are estimated and approved by the Commission every 5 years (and largely based on historical outcomes). It's essential that the impacts on distributors from delivering the Authority's work programme can be accommodated by the regulatory arrangements that EDB's operate under. We encourage the Authority to engage with distributors and the Commission on how the Authority's work programme can be delivered.

Attachment 1 comments on the Authority's questions. If you have any questions on this submission, please contact Nathan Hill (Nathan.Hill@powerco.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to be "AK".

Andrew Kerr
Head of Policy, Regulation, and Markets

Attachment 1: Powerco's response to consultation questions

Question	Powerco response
Q1 What kinds of engagement have you or your organisation had with the Authority?	
<p>Q2 The Authority is proposing that the operational appropriation for Electricity Industry Governance and Market Operations in 2021/22 is \$78.157 million.</p> <p>Note that the \$3.221 million funding for RTP per year for 2021/22 and outyears was approved in February 2019 and we are not seeking feedback on RTP in this process.</p> <p>Do you support the Authority's proposal for funding of \$78.157 million?</p>	<p>Powerco supports the Authority's proposal for total appropriations of \$78.157 million. It is pleasing to see the Authority is anticipating efficiency gains in its operating expenditure.</p>
Q3 The Authority is proposing that the contingent appropriation for Managing the Security of New Zealand's Electricity Supply remains unchanged for 2021/22. Do you support the Authority's proposal for maintaining this contingent funding at its current level?	<p>We support the Authority's proposal to maintain the contingent security of supply funding at its current level.</p>
Q4 The Authority is proposing to increase the contingent appropriation for the Electricity Litigation Fund for 2021/22 (i.e. \$0.500 million). Do you support the Authority's proposal for this contingent funding?	<p>We support the Authority's requests for a contingent appropriation of \$0.5 million for the Electricity Litigation fund.</p>
Q5 Would you like to provide any other comment on the Authority's proposed 2021/22 funding?	