



1 December 2021

Submissions  
Electricity Authority  
Level 7, ASB Bank Tower  
2 Hunter Street  
P O Box 10041  
WELLINGTON

By email: [appropriations@ea.govt.nz](mailto:appropriations@ea.govt.nz).

**Trustpower Limited**  
**Head Office**  
108 Durham Street  
Tauranga  
Postal Address:  
Private Bag 12023  
Tauranga Mail Centre  
Tauranga 3143  
**F** 0800 32 93 02  
**Offices in**  
Auckland  
Wellington  
Christchurch  
Oamaru  
**Freephone**  
0800 87 87 87  
[trustpower.co.nz](http://trustpower.co.nz)

## TRUSTPOWER SUBMISSION: LEVY FUNDED APPROPRIATIONS 2021-2022 AND 2022-2023

### Introduction and overview

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to provide a submission to the Electricity Authority (**the Authority**) on its Levy Funded Appropriations 2021/2022 and 2022/2023 consultation paper (**the Consultation Paper**).
- 1.1.2 We understand that the Authority is seeking additional funding for:
  - a) Electricity Industry Governance and Market Operations;
  - b) Managing the security of New Zealand's electricity supply; and
  - c) Electricity Litigation fund.
- 1.1.3 Trustpower supports most of the Authority's proposed appropriations but has some broader reservations relating to the Authority's proposed increased contingency fund for litigation costs.

### Electricity Industry Governance and Market Operations.

- 2.1.1 The Authority is seeking an additional \$2 million for the 2021/2022 year to fund its expenditure related to the 9<sup>th</sup> August event, including an immediate assurance and a broader review; and investigation of a UTS claim and other alleged breaches of the Code.
- 2.1.2 We acknowledge that expenditure of this kind is likely to be required following any exceptional event such as occurred on the 9<sup>th</sup> August and consequently support its funding.
- 2.1.3 The Authority also seeks a permanent uplift of \$2 million per year from 2022/2023 onward for the following workstreams:
  - a) the review of the industry response to the 2021 dry hydro sequence and tight gas market;
  - b) additional work relating to the events of 9 August 2021;
  - c) the wholesale market review;
  - d) the Market Development Advisory Group's investigation of wholesale market operation under 100 percent renewables;

- e) the multi-year work programme addressing future security and resilience of the power system (following phases one and two of this work in the 2021/22 year); and
- f) other key issues that are likely to arise as we enter a period of transition to a low-emissions energy system.

- 2.1.4 We appreciate that this is a considerable volume of work and support the Authority receiving appropriate resourcing for these workstreams both to enhance its capabilities and its IT systems.
- 2.1.5 More broadly we encourage the Authority to continue to seek cost efficiencies in progressing these workstreams (where possible) and vigorously prioritise its work given the significant amount of policy/regulatory change currently being considered which would impact the sector.

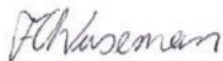
### **Managing the security of New Zealand's electricity supply**

- 3.1.1 We support the renewal of the Authority's multi-year appropriation to assist the system operator during periods of emerging or actual security situations.

### **Electricity Litigation fund**

- 4.1.1 We are concerned with the Authority's proposal to increase its contingency litigation fund in relation to ex post expenditure.
- 4.1.2 We think the Authority's resources, including employment of external experts, should be predominantly used to guide decisions before they are made rather than as a defence to a review of its decision-making by the High Court.
- 4.1.3 This would enable all stakeholders to have the benefits of such expert review (including the opportunity for submissions on any errors or misconceptions).
- 4.1.4 For any questions relating to the material in this submission, please contact Fiona Wiseman, Senior Advisor Strategy and Regulation on **9(2)(a)**

Regards,



Fiona Wiseman  
Senior Advisor Strategy and Regulation