



ENERGY TRUSTS OF NEW ZEALAND INC.

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Consultation Paper – 2022/23 and 2023/24 Appropriations’

ETNZ - The Energy Trusts Association - represents the trust owners of electricity distribution businesses throughout New Zealand.

As the organisation representing consumer and community owners of EDBs, ETNZ has both an asset owner and a consumer perspective in making this submission.

Our position

We are concerned about any levy changes that will result in increased costs to consumers and communities. While we recognise the funding pressures resulting from inflation and from scope creep, we are concerned that 2023 will mark two decades of market development and oversight by the Authority and its precursor, and yet the electricity market continues to deliver questionable price increases and limited competition.

Rather than simply ramping up levies to deliver more of the same, it would seem timely to undertake a '20 years on' in-depth review of the market and its limitations, and to then reprioritise budgeting so that levy money is targeted at areas where it can produce more tangible consumer benefits.

We also note that the costly TPM exercise has now finally concluded, with most of the bedding-in work now being handled by other parties. It would seem reasonable to see some commensurate savings that would help offset forecast future costs.

In addition, the EA's cost/benefit analysis for the TPM saw "grid use efficiencies" resulting in savings of around \$1.1 billion (by far the largest contributor to overall benefits). This suggests that Transpower will be

well placed to make additional contributions to the Authority's levy while also restraining future transmission charges. An increased levy loading for Transpower due to grid efficiency gains would seem consistent with the Authority's "beneficiary pays" philosophy.

Craig Sanders
Chair, ETNZ