

21 March 2023

Sarah Gillies
Chief Executive
Electricity Authority
By email: policyconsult@ea.govt.nz

Dear Sarah

Review of the consultation and feedback processes

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Electricity Authority's (the Authority) consultation paper "*Review of the consultation and feedback processes*" published for consultation on 31 January 2023.¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Members may lodge separate submissions.

Overarching comments

3. MEUG welcome's the Authority's review of its consultation and feedback processes. It is good practice for all regulators to regularly review their regulatory systems and seek to align best practice and to also seek efficiencies in processes. This is consistent with the principle of "regulatory stewardship", which is a statutory obligation for public service agencies and ensures that the regulatory frameworks overseeing our sectors remain "fit for purpose".²

Support improvements to consultation charter

4. MEUG supports the move to a simplified, "plain English" approach to make the consultation charter more user-friendly for non-industry participants and consumers, as sought by the Electricity Price Review and the *Electricity Industry Amendment Act*. In addition, we support the explicit recognition in the consultation charter of the need to consult with the Commerce Commission. Given the Commission's role in regulating both Transpower and Electricity Distribution Businesses (EDBs), it is important that any Authority work is continually coordinated with the Commission.

Welcome introduction of new advisory group

5. MEUG supports the concept of the proposed new advisory group – the Electricity Authority Advisory Group (EEAG). We believe that:
 - It will be beneficial to have more balanced representation on advisory groups, with participants of different sizes and scope, and a broader range of expertise available

¹ *Review of the consultation and feedback processes*, Electricity Authority, 31 January 2023, <https://www.ea.govt.nz/assets/dms-assets/31/Consultation-paper-review-of-consultation-and-feedback-processes.pdf>

² <https://www.treasury.govt.nz/information-and-services/regulation/regulatory-stewardship>

- It is extremely helpful to get industry feedback and advice at the early stages of policy and code development, ahead of any formal consultation. By using the EEAG as a “sounding board”, this could help bring more issues to the floor earlier, and aid deeper exploration of issues in consultation papers
 - Getting the EEAG’s input on code drafting should ensure that any final code amendments are as practicable and workable for the sector as possible, and correctly translate the intent of the underlying policy decisions.
6. MEUG believes that an EEAG of approximately 12 – 15 members (Option 2) strikes the right balance between accessing a wide range of skills, while ensuring that the group can be efficiently coordinated and managed. The option for establishing sub-committees is a useful step, while still retaining the ability to co-opt in other participants where special knowledge or insight may be needed.
 7. It would be useful to understand how the Authority:
 - a. See this new advisory group (EEAG) work alongside the existing advisory groups (particularly the MDAG)
 - b. Have assessed the funding implications of this new group, and what additional resourcing / support it may need from Authority staff
 - c. See a balanced and challenging workload being set for the EEAG, given the intent for the group to provide advice on the Authority’s prioritised initiatives on an “ad-hoc basis”.³ The ad-hoc nature of the work could create uncertainty for participants looking to put their name forward to partake.
 8. To ensure the success of this new advisory group, it is important that the sector continue to have transparency of the work the EEAG is focused on and how the Authority utilises the advice provided from the advisory groups. Publishing the Authority’s Board responses to the advisory group’s final reports is particularly helpful, as well as regular updates from both the advisory groups and Authority staff on how work is being progressed.

Code amendment process and documents incorporated by reference

9. MEUG appreciates the need for the Authority to look at streamlining the Code Amendment Process (CAR) going forward. The proposed amendments (to focus primarily on basic Code amendments) seems pragmatic, given the time-consuming, resource intensive nature of the current process that the Authority has outlined.⁴ As noted in the paper, there will still be avenues for raising urgent Code amendments and providing feedback through consultation on the work programme. However, we encourage the Authority to review these changes after 1-2 years, to ensure that the CAR process still provides sufficient opportunities for parties to suggest Code amendments that would be beneficial for the electricity sector.
10. We agree that given Transpower’s unique role in the sector, it would be beneficial for Transpower in its role as the System Operator, to have a bespoke CAR process and to complete the detailed assessment of any required Code amendments. Transpower has the best information and insight on changes relating to the System Operators role and therefore is better placed to do this analysis (assuming sufficiently resourcing is available).

³ Paragraph 5.12, consultation paper.

⁴ Paragraph 6.6, consultation paper.



11. We consider that it is sensible to remove duplication in the documents incorporated by reference into the Code and to create consistency in amendment processes / consultation approaches where possible. This is consistent with the principles of “regulatory stewardship” that is being promoted by The Treasury.
12. If you have any questions regarding this submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Boyes', with a long horizontal flourish extending to the right.

Karen Boyes
Major Electricity Users' Group

