

Annual levy-funded appropriation consultation

User: Paul Baker

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Summary of information submitted

First name

Paul

Last name

Baker

Email

[REDACTED]

Organisation

Nova Energy

Position

Commercial & Regulatory Manager

1. Do you support the Authority's proposal for a permanent baseline increase to its Electricity Industry Governance and Market Operations appropriation of \$14.2 million for 2024/25, bringing the total appropriation to \$115.0 million?

Yes

2. Do you support the Authority's proposal for maintaining the contingent appropriation for Managing the Security of New Zealand's Electricity Supply at its current level of \$6.0 million over five years?

Yes

3. Do you support the Authority's proposal for maintaining the contingent appropriation for the Electricity Litigation Fund for 2024/25 and outyears at \$1.5 million?

Yes

4. If you have any comments on the Authority's proposed funding (questions 1-3), please add those here

The Authority is correct in not opting to step up to Option 3 at this point in time.

The broader political and economic environment is not conducive to the Authority expanding its activities significantly now, irrespective of the challenges it sees in the growth of the electricity market as New Zealand moves away from fossil fuels.

5. If you have any comments on the Authority's vision and intended outcomes, please add those here

The Authority needs to maintain a focus on those major issues that are expected to impact on the cost to produce and deliver electricity to consumers over the long term. There are always going to be many high-profile issues or innovative ideas for market development that parties are going to expect the Authority to support or address. The Authority Board must take a more critical view of some of these expectations, and ensure that Management focuses on those issues that are most likely to have a significant economic impact.

6. If you have any comments on the Authority's indicative work programme for 2024/25, please add those here

It is not clear what resources are to be applied to the increased collection of retail data, with a view to 'deliver sophisticated and transparent insights in a timely manner', but it appears to require significant investment for both retailers to provide the data and the Authority to make sense of it. It is difficult to see what financial benefit will result from this work.

It is good to see the intent to 'Renegotiate the SOSPA, with more active management.' As the major cost item for the Authority, it is critical that a 'blow torch' is also applied to reviewing the SO's costs.

Written submission and/or supporting documentation

The Authority intends to publish all submissions. Are you happy for the Authority to publish your submission?

Yes
