

Annual levy-funded appropriation consultation

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Submitted: 29/01/2024 8:53:20 AM

Reference: dabff1ab-5dd3-4059-8aef-b1050147c315

Summary of information submitted

First name

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[REDACTED]

Organisation

Vector

Position

GM Market Strategy / Regulation

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

No further comments.

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

The addition of the vision one-pager, and its explicit link to the work programme, is great. These artefacts are particularly useful.

On the one-pager, we have a few minor points of feedback for the Authority to consider:

- Under the *Accessibility* heading, consider adding reference to flexibility, and consumers’ ability to benefit from the flexibility in their distributed resources – the concept of an “energy supplier” may soon become dated
- We would encourage the Authority to reconsider use of the word “sustainable”, in favour of “low-emissions”. Sustainability can mean different things to different people. Perhaps there could be direct reference to the legislated 2050 emissions targets instead.
- Affordability, as a concept, is difficult to measure, and is also relative. The Authority and its regulation can certainly influence the *cost* of electricity, through ensuring it is delivered as efficiently as possible, but it cannot influence consumers’ level of income to *afford* that electricity. The Authority can, however, have some influence on income levels at a policy level, including to recommend changes to (for example) the targeting of the Winter Energy Payment.
- The terms “energy” and “electricity” seem to be used interchangeably, in parts. This may well be deliberate, but the Authority needs to be clear in its reasoning in using both.
- Consider using “flexibility products” or “flexibility solutions” rather than “flexibility markets” in the middle box. That would appear to fit the medium-term outcome better. Consider adding in reference to the “availability” of these products as well.
- We want to encourage the right investment in electricity generation – right technology, location and timing. That’s what accurate market price signals should get us.

We want consumers to have access to the energy solutions they need – this could involve remote power systems, for example.

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

As noted above, we think there are aspects of the distribution settings workstream which overlap with future system operation, and MDAG’s recommendations, but are not currently being worked on. These need to be urgently prioritised.

Written submission and/or supporting documentation



202312 Vector Submission _ EA Levy and Work Programme .docx

Last modified 2024-1-26 18:45:21 pm, file size 4.74 MB

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

Yes
