

Preparing for the consumer of the future

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Our vision

Consumers have **choices** in accessing the **energy** they need now and, in the future, to ensure they and New Zealand prosper.



Focusing on outcomes not outputs

Our vision

Consumers have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper

Outcomes

We aim to achieve a **sustainable, accessible, secure and resilient** electricity system by carrying out our regulatory functions, engaging and collaborating to build trust and confidence in the system and in the Authority, to improve long-term outcomes for consumers

Sustainable

Accessible

Secure and resilient

Competition

Reliability

Efficiency

**Protection for
small consumers**

A secure and resilient future

Improving security of supply over 3 horizons...



Secure and resilient

Consumers have trust and confidence in their energy supply. It's reliable, secure and responsive to shocks.

Horizon 3

5+ years

- Consumers and communities are empowered to generate and share electricity, without compromising security and supply
- Electricity infrastructure is fit for purpose and can bounce back from shocks

Horizon 2

2-4 years

- The transmission and distribution system are coordinated to ensure security of supply over hours, days, months and years
- Rural, vulnerable and isolated communities are protected against risks to security of supply

Horizon 1

12 months

- Emerging risks to the power system are understood and plans are in place to mitigate risks
- Large energy users have confidence and tools to support security of supply

Horizon 1

Security of supply priorities 2024

- Winter 2023 initiatives
- Review of ancillary services
- Potential solutions to peak electricity capacity issues
- Intermittent generation forecasting
- Regulatory settings for distribution networks to support non-network solutions and flexibility services
- Regulatory 'sandbox' guidelines to facilitate trials of new technologies and business models
- Future security and resilience programme
- Market Development Advisory Group's recommendations

Getting to 2050 without a time machine



2050

The consumer of the future

Greater access to and choice over different energy products and services

In the driver's seat of their energy management

Energy as a service in which new intermediaries will play a key role, aggregating consumer needs and preferences



How did we do?

The Authority's report card 2023

- ✓ **Increased engagement** across industry and consumer groups

We hosted more hui, webinars and left Wellington to listen.

- ✓ **Increased transparency**

We published more insights and collected more data to ensure well informed, evidence based decision making.

- ✓ **Moved more quickly to give certainty**

Upped our productivity, made 23 decisions, 28 consultations, Code omnibus is back and supported MDAG to final advice.

- ✓ **Collaboration to keep the power on**

We worked closely with Transpower and industry to keep the power on over winter.

Future proofing the market

Evolution of the market is necessary to enable transformation.

MDAG have laid down the challenge and the Authority is responding.

The Authority's work programme outlines work already underway and signposts what else we need to focus on.

Price discovery in a renewables-based electricity system

FINAL RECOMMENDATIONS PAPER



MARKET DEVELOPMENT ADVISORY GROUP

11 December 2023

Balancing investment with costs



The face of the modern regulator



Performance and conformance

Conformance

A commitment to challenge how we operate in the interests of delivering better outcomes

Performance

Continuous improvement as we focus on the outcomes we're after – sustainable, accessible, secure and resilient

Thank you

Questions?