

Hannah Hopper

From: Bryan Leyland <bryanleyland@mac.com>
Sent: Tuesday, 22 January 2019 3:26 PM
To: Submissions Mailbox
Cc: Bruce Cole; Murray Ellis
Subject: Consultation Paper - Review of regulatory settings for Official Conservation Campaigns (OCCs)

I have a number of comments.

1 – As far as I can see, no mention is made of the gas that is in storage or could be transferred from Methanex and used to boost supply.

2 – As far as I can see, no mention is made of the size of the coal stockpile at Huntly. A 750,000 tonne stockpile could keep two sets at Huntly running for four months and generate something like 1500 GWh. Much more than the relatively trivial contingent storages.

3 – Using experience from the early 2000s to determine the amount of savings is likely to be misleading. Since then ripple control systems have been run down so there is not much chance of achieving significant much by constraining water heating. Also the change to more efficient lighting means that switching lights off to save power will have a much smaller effect.

4 – As far as I can see, there is no discussion on the economic effect of the supply constraints that are being discussed. Inevitably, prices will skyrocket as we saw in October 2018 and are likely to go even further. If blackouts are imposed there will be a very large economic cost. There is virtually no business – or household – that can continue in anything like normal operation without a reliable supply of electricity. So an additional economic effect is likely to be the panic purchase of many emergency diesel generators.

5 – This paper really fiddled around the edges of a major problem facing New Zealand – a problem that the power planners of old were well aware of – how to provide a reserve supply in the event of a hydro shortage – or a coal or gas shortage – with the least economic and social damage. Any rational discussion of this is likely to lead to the conclusion that those who provide dry year reserves should be paid an annual sum to compensate them for the cost of holding the reserves. It is no more than a national insurance policy for the economy and people.

Kind regards,

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