

# Your feedback on the Electricity Authority's funding for 2025/26

User:

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## Summary of information submitted

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### ***Who are you submitting as?***

Industry participant

### ***First name***

Tamiris

### ***Last name***

Robinson

### ***Email***

[REDACTED]

### ***1. Which of the proposed funding options do you support for our Electricity Industry Governance and Market Operations appropriation?***

Option 1: No change

### ***2. Which of the Authority's activities are top priority for you, and which other activities do you think should be traded off against these priority activities?***

The Authority has good activities, however it must ensure it develops an efficient strategy.

Specifically, the Authority should focus on creating regulatory market signals that provide clarity and confidence to investors, fostering investment in generation capacity and encouraging technological advancements and innovation. With MDAG's forecast for the 2030 renewable energy market approaching, it is key to establish the right market signals now to support both innovation and investment in the sector. The Authority should concentrate on matters that have the greatest potential for significant economic impact (including benefit to consumers).

***5. If you have any other comments on the Authority's levy consultation, please add those here***

Nova acknowledges the rising costs, inflationary pressures, and the increasing need for additional funding that the Authority faces. Nova also appreciates the Authority's approach in using a competitive process to ensure value for money across its contracts. However, it is important to note that the Authority's funding has increased by over 40% since the 2021/2022 levy-funded appropriations, which significantly outpaces CPI adjustments.

In Nova's view, these substantial increases in funding since 2022 should be sufficient to cover the workplan priorities that the Authority deems most important to fulfill its statutory objectives. The Authority states that it expects to cover increases in capital expenditure with its cash reserves, but that "it is likely there will be service provider cost pressures in future years as assets are commissioned and appropriation funding is needed to fund their depreciation.". It is challenging to predict the extent of cost pressures in future years, and the current economic and political climate does not lend itself to requesting additional funding that is not absolutely essential.

Despite these funding increases, Nova believes there is an opportunity being missed by the Authority to better leverage existing data from other government agencies and other sources. The Authority should explore ways to use information already available, rather than creating resources for such workplans, to prevent unnecessary duplication and redundancy. For example, the upcoming Section 46 information request (January 2025) on retail pricing information is data that participants already provide to Stats NZ. Similarly, Retail Data is information the Authority already has access to. By effectively leveraging this existing data, the Authority can reduce inefficiencies which end up costing retailers and other industry bodies more, is a cost that winds up being passed onto consumers.

While certain projects and events (such as the work arising from the 9 August 2021 events and the Energy Competition Task Force) may from time to time justify increases in funding, Nova, in line with ERANZ's submission, urges the Authority to be more transparent and specific about how any additional funding is being allocated. As a Crown entity, the Authority is accountable to both the public and the industry. It is essential that funding is spent efficiently and that projects deliver tangible benefits. With financial pressures already

bearing down on households, there must be a clear incentive for the Authority to prioritise its work in ways that are efficient, avoid unnecessary costs, and do not further strain consumers.

***Written submission and/or supporting documentation***

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

Yes

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