



MAJOR ELECTRICITY USERS' GROUP

18 December 2006

Jeanette Fitzsimons
Government Spokesperson on Energy Efficiency
Parliament

By email to jeanette.fitzsimons@parliament.govt.nz

Dear Jeanette

Request for cost-benefit-analysis and key assumptions in relation to the draft NZEECS

1. Last Friday government released the draft New Zealand Energy Efficiency and Conservation Strategy (NZEECS). MEUG is disappointed the draft NZEECS is proposing a more interventionist stance and yet there is no or very little cost-benefit-analysis to justify specific proposals. Where cost-benefit-analysis has been undertaken, there is no transparency around the factual and counterfactual cases and other assumptions used.
2. Therefore to allow us to make a comprehensive submission we request, in terms of the Official Information Act 1982, the following information:
 - a) The detailed cost-benefit-analysis cash flows and assumptions used to estimate the indicative Present Value of cumulative savings at 2030 as follows (page numbers refer to pages in the draft NZEECS):
 - i) \$3,600 m under the better products objective (page 22);
 - ii) \$1,800 m for smarter commercial buildings (page 27);
 - iii) \$144 m for smart electricity networks (page 47);
 - b) All advice from officials or consultants to government on the use of a 5% discount rate instead of the conventional government 10% discount rate (refer page 21); and
 - c) The preliminary analysis referred to on page 21 that it would be possible to reduce the stationery energy to GDP ratio by 30% by 2030.
3. Please treat this request for information as urgent given submissions are due to government by 30 March and it will take some time to work through the details of the cost-benefit-analysis.

Yours sincerely

Ralph Matthes
Executive Director

cc Hon David Parker, Minister of Energy (c/- Bruce Donaldson)