



MAJOR ELECTRICITY USERS' GROUP

30 November 2007

Electricity Transmission NES
Ministry for the Environment
By email to electricity@mfe.govt.nz

Dear Madam/Sir

Submission on proposed National Environmental Standards for Electricity Transmission

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Discussion Document, *Proposed National Environmental Standards for Electricity Transmission*, circulated under a cover letter by the Ministry dated 9th October 2007.
2. Two National Environmental Standards (NES) are proposed: A Transmission Activities NES and a Transmission Risks NES. The NPV of the first is \$2.2m and the second (on an incremental basis to the first) equals \$1.7m. Compared to other potential improvements that could be facilitated by government or Electricity Commission actions, these NPV are miniscule.
3. MEUG suggest without any NES adjacent consenting authorities will progressively remove any inconsistent consent requirements. Transpower will have an important role to facilitate that process. If we are correct, this will erode the claimed positive NPV of the proposed NES. It may be that the NPV may be so small as to make the cost of further consideration of these NPS unwarranted.
4. MEUG has particular concerns regarding the Transmission Risks NES. As better option may be for Transpower to negotiate bi-lateral agreements with existing property owners to manage such risks on a case by case basis. The claimed benefits of the Transmission Risks NES might in some cases be nothing more than a shift of who bears the risks and a wealth transfer effect rather than resulting in any economic efficiency gain.

Yours sincerely

Ralph Matthes
Executive Director