



MAJOR ELECTRICITY USERS' GROUP

6 November 2009

Kate Hudson
Electricity Commission
By email to submissions@electricitycommission.govt.nz

Dear Kate

Submission on 2009 Grid Planning Assumptions

1. This is a submission by the Major Electricity Users' Group on the Electricity Commission consultation paper 2009 Grid Planning Assumptions (GPA), published 25th September 2009¹.
2. The Commission should commence a watching brief on the changing technologies and economics of nuclear power as it may become important in the future.
3. The 2008 SOO scenarios that have largely been carried over for the 2009 GPA are inconsistent with the change in direction of the new government formed in November 2008. Accordingly MEUG suggests the Commission reconsider the mix of scenario drivers to provide more balance between new non-renewable and new renewable generation compared to the bias towards renewables in the agenda of the prior government. The scenario names or descriptions are unlikely to align with the revised Energy Plan the Minister has commenced work on.
4. MEUG agrees with the ongoing work in section 2.7 of the consultation paper and in particular paragraph 2.7.1(e) "*review of the carbon charge assumptions taking into account work of revised emission trading scheme outcomes (eg \$25/t in 2013)*". MEUG notes that the effective cap on carbon prices should the current ETS amendment Bill be passed is \$12.50/t.

Yours sincerely

Ralph Matthes
Executive Director

¹ Refer <http://www.electricitycommission.govt.nz/consultation/09-gpa/view>