

4 April 2019

Miriam Dean QC
Chair
Expert Advisory Panel
Electricity Price Review
c/- Monica Quinn
Ministry of Business, Innovation & Employment
by email to monica.quinn@mbie.govt.nz

Dear Miriam

Electricity Price Review options – supplementary feedback

MEUG appreciated the opportunity for MEUG representatives and MEUG members to attend the cross-sector workshops. The MEUG Executive Committee meet on 26 March and some members expressed unease on the limited range of end consumer participation at the Industry Issues Workshop, and on the issue of finding ways to improve competition in the spot market. MEUG mentioned this as an issue at the workshop and in our feedback on option D1 in submissions on 22 March.

The unease of members has led to a concern that this topic may not be accorded a high priority by the Electricity Price Review, or that it might not be clear from submissions how important this issue is to MEUG and MEUG members.

MEUG supports various ongoing work programmes by the Electricity Authority to improve the spot market and will continue to do so. However, there is a risk that if the final Electricity Price Review report does not recognise that work on finding ways to improve the spot market is at least as high a priority as improving disclosures (option D1) and the hedge market (option D2), then the Electricity Authority may in future years give such work a lower priority.

The Executive Committee wish to reinforce in this supplementary feedback the MEUG submission to option D1 that

“There is a third aspect to the wholesale market not considered in the options paper; namely improving competition in the spot market. MEUG suggests that issue should be an additional option in the Electricity Price Review’s report to the Minister”.

In relation to option E9, MEUG considers this issue is still unresolved in the broader context and further work is required. We would encourage the panel to either:

1. change its recommendation from “do not favour” to “undecided”, or
2. note that while the panel does not favour this option within the terms of reference of its review, the panel notes that some submitters consider further work is required on this issue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Harbord', written in a cursive style.

John Harbord
Chair