

# Update from the Chair

May 2024

## Looking to Australia

MEUG has been looking at what is happening in Australia, to see what shared issues we have and to see whether there are alternate approaches to those issues. As part of this, the MEUG Executive Director, Karen Boyes, recently attended the [Energy Users' Association of Australia](#) national conference in Melbourne. Overall, there are different starting points in Australia and New Zealand, but very similar issues.

## A different perspective

One of the striking characteristics of Australia is a holistic view of energy. In New Zealand, we tend to distinguish between the electricity sector and the wider energy sector. In Australia, they tend to look at all forms of energy. They still use a lot of coal and are very positive about the role of natural gas.

There is a strong narrative of Australia as the “Lucky Country”, gifted with a lot of natural resources. The imperative is to use all of these natural resources. There is also a perspective that the trust of local and regional communities is vital, and the system attempts to avoid negative community impacts. If, for example, a local community is reliant on gas or coal for their energy, that is tolerated or respected in way we don't see in New Zealand.

There is also a growing focus on using existing assets rather than “build as the first option”, which again contrasts with New Zealand where the tendency is, in some cases, for regulated entities to focus on increasing their regulated asset base rather than making the most efficient or productive use of existing assets.

## The Australian large user perspective

Affordability issues are just as topical in Australia as they are here. Businesses have been exiting Australia due to high energy prices. Energy (and electricity) prices are seen as the third wave of cost-of-living pressures, following high grocery prices and high fuel prices, and there is more of a focus in Australia on getting on top of affordability pressures. This includes recognising the importance of small, independent retailers to put pressure on incumbent market suppliers in a way we just don't see here.

Feedback from Australian large users who also have a presence in New Zealand, however, was that while Australia used to be the high price market they worried about, it is now New Zealand.

On the issue of demand-side participation, the approach of the regulator, the Australian Energy Market Commission (AEMC) is to see “consumers engaging with the system, without needing or expecting them to.” Few large users participate, citing too many penalties and compliance issues, and no meaningful incentives.

## Key dates

What's on	Who	When	Notes for members
<b>Training:</b> Industry exercise	SO & Electricity Authority	1 May	Industry exercise to test participants response to major power system event. May 1 session for control room operators.
<b>Update:</b> Distribution pricing	Electricity Authority	7 May	Authority releases its <a href="#">update paper</a> on distribution pricing, signalling next steps and formation of the Distribution Connection Pricing technical group.
<b>Training:</b> Industry exercise	SO & Electricity Authority	8 May	Industry exercise to test participants response to major power system event. May 8 session for digital communications / customer leads.
<b>Release:</b> UTS preliminary decision	Electricity Authority	8 May	Authority released its <a href="#">preliminary decision</a> relating to the 9 August 2021 Undesirable Trading Situation (UTS). Submissions due 5 June.
<b>Seminar:</b> Wholesale electricity market	LEANZ	8 May	LEANZ is running a <a href="#">seminar</a> in Wellington on the NZ wholesale electricity market and discussing whether it is fit for purpose.
<b>Event:</b> ETNZ conference	ETNZ	9 May	Energy Trusts NZ is holding its annual conference in Wellington.
<b>Event:</b> Change to winter ratings	System Operator	10 May	Grid changes to winter ratings from 10 May to 20 October 2024 (see <a href="#">CAN 3 May</a> )
<b>Training:</b> CCO exercise	Critical Contingency Operator	15 May	The Critical Contingency Operator is running its annual CCO <a href="#">exercise</a> for the gas sector on 15 May.
<b>Event:</b> Customer webinar	Transpower	15 May	Transpower are running a webinar to discuss the updated modelling for the Net Zero Grid Pathways 1 Stage 1 HVDC upgrade, as well as a number of other projects (link <a href="#">here</a> ).
<b>Event:</b> Reducing energy hardship conference	Ara Ake	20 – 21 May	Ara Ake, Community Energy Network and WISE Charitable Trust are running an Energy Hardship focused <a href="#">conference</a> in Wellington.
<b>Submission:</b> Part 6A exemption application	Electricity Authority	21 May	The Authority are seeking feedback on Part 6A exemption <a href="#">applications</a> from Vector Limited and Manawa Energy Limited.
<b>Meeting:</b> MEUG Executive Committee	MEUG members	29 May	In person meeting in Auckland, with presentation from ENA and site visit to Pacific Steel.
<b>Draft decision:</b> Transpower RCP4	Commerce Commission	29 May	Commission to release draft decision relating to revenue and expenditure for Transpower's Regulatory Control Period 4 (RCP4, 2025 – 2030). Webinar to be held at 8.30am, alongside publication of consultation package.
<b>Draft decision:</b> Regulated EDBs DPP4	Commerce Commission	29 May	Commission to release draft decision relating to revenue and expenditure for regulated EDBs for Default Price-Quality Path (DPP4, 2025 – 2030). Webinar to be held at 8.30am, alongside publication consultation package.
<b>Event:</b> 2024 CEP conference	CEP	28 – 29 May	Carbon and Energy Professionals are running their 2024 annual <a href="#">conference</a> in Christchurch.
<b>Decision:</b> Budget day	Government	30 May	Announcement of funding decisions for government departments and agencies such as EECA and Electricity Authority.
<b>Submission:</b> Draft advice of 4 <sup>th</sup> emissions budget	Climate Change Commission	31 May	Commission is <a href="#">consulting</a> on the preparation of the fourth emissions budget, for the period 2036 – 2040. It is also assessing if there is a need to revise emissions budgets 1 – 3.
<b>Submission:</b> Review of 2050 emissions target	Climate Change Commission	31 May	Commission is <a href="#">consulting</a> on the 2050 emissions reduction target, to ensure it remains fit for purpose.
<b>Submission:</b> Inclusion of international shipping and aviation in target	Climate Change Commission	31 May	Commission is <a href="#">consulting</a> on whether emissions from international shipping and aviation should be included in NZ's 2050 emissions reduction target.