



MAJOR ELECTRICITY USERS' GROUP

Friday, 16th September 2016

Press Release – For Immediate Release

Major Electricity Users Group (MEUG) welcomes reduced electricity efficiency levy

The Major Electricity Users Group (MEUG) welcomes recent changes to energy levies by the Minister of Energy and Resources, Hon Simon Bridges, that will result in a reduction of 60 per cent (\$7.8 million per annum) to the current electricity levy paid by all consumers.^{1, 2}

MEUG Chair John Harbord says information released yesterday reveals the size of levy cost savings and the announced reduction is a win for all consumers.

“If Government is going to impose costs on households and businesses there has to be a clear rationale and benefit for doing so. MEUG has consistently sought a reduction of the electricity efficiency levy because of weak links between the costs imposed and the claimed benefits of levy funded programs.”³

“Whether there should continue to be any levy to fund EECA at all on electricity, or new levies on other forms of energy as proposed in the announcements, is an issue we will make submissions on to the select committee considering proposed legislative changes.”⁴

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¹ Refer Hon Simon Bridges, Minister of Energy and Resources, media statement, EECA funding focus to move beyond electricity, 1st September 2016, <https://www.beehive.govt.nz/release/eeca-funding-focus-move-beyond-electricity>.

² Refer MBIE Energy levy consultation web page <http://www.mbie.govt.nz/info-services/sectors-industries/energy/current-reviews-consultations/energy-levy-consultation>.

³ For example see MEUG submissions on EECA's proposed 2016/17 appropriations, 24th November 2015, refer <http://www.meug.co.nz/node/727>.

⁴ The question of whether there should be any energy efficiency levies was canvassed in MEUG's submission to MBIE on options for energy levies dated 2nd June 2016, refer <http://www.meug.co.nz/node/772>.

About MEUG

MEUG is a trade association which works across regulatory regimes, parties in the supply chain and with consumers to improve New Zealand's electricity sector.

MEUG members collectively spend in excess of \$610 million on electricity every year comprising in excess of \$500 million on energy and \$110 million on line services. MEUG members annually pay approximately \$3.4 million (26%) of the current \$13 million electricity efficiency levy.

Members contribute approximately \$15 billion to the Gross Domestic Product of New Zealand. It is critical to the good health of this country's economy that members can access electricity reliably and at a fair price.

It is MEUG's purpose to represent the interests of members so this can occur in the long term.

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