



18 October 2022

Matthew Clark
Manager, Transpower and Gas
Commerce Commission
By email to infrastructure.regulation@comcom.govt.nz

Dear Matthew

Transpower E&D base capex projects reopener cross-submission

1. This is a cross-submission from the Major Electricity Users' Group (MEUG) on the submissions by Mercury Energy (MCY), Powerco and Transpower to the Commerce Commission draft decision paper on enhancement and development base capex projects.¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Members may also make separate submissions.
3. MEUG agreed with the draft decision not to approve \$0.55m for the Otahuhu-Whakamaru C variable line ratings project subject to viewing submissions from other parties. MCY and Powerco recommended the Commission should approve that work. MCY submitted that work would deliver important benefits to the wholesale market. If that is so, then participants in the wholesale market that expect to benefit in the near-term should pay for this work because, from a grid investment perspective, the work can be delayed until the Rankine units are no longer available.
4. Powerco submitted having the Rankine units available for the balance of RCP3 did not necessarily mean available all the time, hence there may be some system operations benefit in certain scenarios. MCY also suggested this as a possible benefit. MEUG is not convinced the probability weighted benefit (i.e., probability and frequency of such scenarios occurring) would outweigh the cost.
5. On balance MEUG continues to support the draft decision not to approve \$0.55m for the Otahuhu-Whakamaru C variable line ratings project.

Yours sincerely

A handwritten signature in black ink, appearing to read "R. Matthes", written in a cursive style.

Ralph Matthes
Executive Director

¹ Refer submissions at <https://comcom.govt.nz/regulated-industries/electricity-lines/electricity-transmission/transpowers-price-quality-path/setting-transpowers-price-quality-path-from-2020>.