



28 February 2020

Suzannah Toulmin
Principal Investment Advisor
Energy & Resource Markets
Ministry of Business, Innovation and Employment
By email to energymarkets@mbie.govt.nz

Dear Suzannah

Accelerating renewable energy and energy efficiency – submission

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Ministry of Business, Innovation and Employment (MBIE) discussion document "Accelerating renewable energy and energy efficiency" published 19th December 2020.¹
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. Attached and to be read as part of this submission is an independent expert report by Mike Hensen of NZIER "Renewables and energy efficiency – Comment on MBIE discussion paper," dated 20th February 2020.

We wish to continue the positive engagement to date in the next phase of detailed analysis

4. The MEUG Executive Committee appreciated MBIE representatives attending our monthly meeting on 4th February and members have welcomed the opportunity for discussions with individual businesses. The open dialogue to date has worked well and we wish that to continue beyond the close of submissions on 28th February.
5. MEUG members, myself and advisors to MEUG will continue to be available to assist answer questions and suggest new avenues of enquiry as the project enters the next more detailed phase of analysis.

¹<https://www.mbie.govt.nz/have-your-say/accelerating-renewable-energy-and-energy-efficiency/>, document URL <https://www.mbie.govt.nz/dmsdocument/10349-discussion-document-accelerating-renewable-energy-and-energy-efficiency> .

We are sceptical of claimed information barriers but supportive of improving data and information exchange between businesses and government

6. The discussion paper is the first time (for many years and possibly ever) all possible barriers to accelerating renewable energy and energy efficiency have been listed and a stock-take of feasible options catalogued. We emphasis all possible barriers and feasible options because many have been known and debated for many years, for example EECA's claims on information barriers for the uptake of energy efficiency.² There are good reasons why policies to intervene in claimed information barriers have never got traction.
7. The negative response by members at the MEUG meeting to require large energy users to publish Corporate Energy Transition Plans (including reporting emissions) and conduct energy audits (option 1.1) is partly a rebuttal against the notion businesses are not themselves taking action as they see fit, i.e. option 1.1 is part of the perceived view businesses have various information barriers to optimal uptake of energy efficiency.
8. We are though conscious that for departments and crown entities to provide evidence-based advice in sizing policy problems and proposing preferred option(s) appropriate data and information is needed from the household and business sectors. Option 1.1 is not the only way for that outcome to be achieved. We have offered to work collaboratively with MBIE and EECA on trials and protocols to assist access to business data that may have wider interest to other departments and crown entities.

The next phase will require detailed quantitative analysis

9. One of the benefits of the NZIER report attached to this submission is it proposes how the next phase of the work should consider quantifying the possible under-developed opportunities and the benefits and costs to consider options to realise that opportunity. This is complex as NZIER illustrate in a review of work to date on alternative emission reduction paths across different segments of industrial process heat use.
10. A concern we have with both the Ministry for the Environment work on resetting the ETS and Electricity Allocation Factor, and this work by MBIE, is political pressure to speed up decisions without adequate analysis. An option that may help MBIE better scope and analyse issues is for MBIE and businesses directly affected by the 28 options in the discussion document to agree and work on a work plan and timetable to arrive at an evidence-based assessment in the next quantitative analysis phase. This could be across all options or targeted to just a few of the more complex options.

² A discussion on those claimed barriers by EECA has been the subject of MEUG submissions on EECA's proposed electricity levy appropriations since 2011: Refer <http://www.meug.co.nz/node/491> (2011, being a joint submission with the NZ Business Roundtable), <http://www.meug.co.nz/node/518> (2012), <http://www.meug.co.nz/node/563> (2013), <http://www.meug.co.nz/node/638> (2014), <http://www.meug.co.nz/node/727> (2015), <http://www.meug.co.nz/node/822> (2016), <http://www.meug.co.nz/node/894> (2017), <http://www.meug.co.nz/node/967> (2018) and <http://www.meug.co.nz/node/1043> (2019).

Request for publication of all submissions

11. Following on from paragraph 4 at the start of this submission, stating our wish to retain a collaborative approach on the next more detailed phase of analysis, MEUG would like to view all submissions in this consultation round. Allowing MEUG and advisors to review and address any misconceptions, errors or innovations we think are worth supporting in the submissions of other parties is more likely to assist officials than undermine the analysis that officials will be undertaking. Accordingly, MEUG requests, in terms of the Official Information Act 1992, copies of all submissions received by MBIE on the discussion document.

Yours sincerely



Ralph Matthes
Executive Director