

23 November 2018

Arun Arora  
Transpower  
By email to [arun.arora@transpower.co.nz](mailto:arun.arora@transpower.co.nz)

Dear Arun

### **Brunswick-Stratford B Line Investigation**

1. This is a submission by the Major Electricity Users' Group (MEUG) on Transpower's Long-list consultation and non-transmission solution request for information for the Brunswick to Stratford B Line Investigation published October 2018 (the BRK-SFD B Line RFI).<sup>1</sup>
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. A barrier to parties putting forward non-transmission solutions (NTS) is uncertainty on the contract terms and conditions that will apply to NTS and the degree of flexibility to tailor those for different NTS, combinations of NTS and in combination with conventional line solutions. We have previously raised this point with Transpower and repeat our suggestion development of terms and conditions for NTS should be a high priority.<sup>2</sup>
4. The RFI notes recovery of costs for solutions to the BRK-SFD B line issues are currently from interconnection charges. It's remiss not to mention recovery of new costs may change in the future to a beneficiary pay basis. The RFI should have published who the future beneficiaries might be so that they were forewarned and therefore motivated to take an interest in this RFI. Future beneficiaries that are made aware of costs they may bear would have an incentive to search for and propose low cost solutions that meet their needs. The RFI has missed that opportunity.
5. MEUG is uncomfortable with Transpower using demand forecasts it has developed itself because of the incentive to over-build in order to grow the business hence returns to its shareholders and to gold plate to avoid the lights going out at any cost. It's not Transpower's fault MBIE has failed to update the inaugural Electricity Demand and Generation Scenarios forecasts; nevertheless, it leaves consumers at risk of Transpower promoting earlier than needed and larger than needed solutions.

Yours sincerely



Ralph Matthes  
Executive Director

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<sup>1</sup> <https://www.transpower.co.nz/brunswick-stratford-capacity-investigation>

<sup>2</sup> MEUG to Transpower, Transmission Alternatives, 3 August 2018, <http://www.meug.co.nz/node/947>