



# MAJOR ELECTRICITY USERS' GROUP

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Dear Evans

## Feedback on draft Annual Planning Report 2015

1. Thank you for the opportunity to provide comments on the 13 regional draft plans being finalised for publication of the Annual Planning Report 2015 (APR 2015) in July 2015.
2. With increasing uncertainty on forecast demand for peak transmission services there would be benefit in supplementing the plan with a chapter on what-if demand over the next 15 years declined? The possibility of declining demand is a theme from the work of the joint MBIE and ENA Smart Grid Forum. Many submitters to MBIE on their recent EDGS consultation round also suggested flat or declining demand was within the bounds of feasible scenarios. Transpower's Annual Planning Reports have in recent years progressively decreased forecast peak demand for grid services by 0.2% each year, ie ARP 2012 forecast 1.7%, ARP 2013 1.5%, ARP 2014 1.3% and the draft ARP 2015 forecast is for 1.1% per annum. We see no obvious reason why that trend might change.
3. MEUG has three further comments on the chapters titled "Introduction" and "Demand Assumptions" in APR 2014 that may be helpful in drafting APR 2015:
  - a) We don't know why a P90 demand forecast is used for the first 5 years (p 29). Why not use P50 and conduct sensitivity analysis where needed?
  - b) The discussion on Variable Line Ratings (p17-18) could be expanded to give provide estimates of the cost of changes to System Operator software and processes relative to the benefit to consumers.
  - c) Similarly a more detailed explanation of progress to date and expected progress on the demand side response trial (p15-17) would be useful including actual costs of the trial and benefits that have or are expected to accrue to consumers.

Yours sincerely

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