

The monthly wrap

A highlight for March was the Downstream energy conference, which was a great opportunity to catch up with many friends, colleagues and stakeholders throughout the sector. Also memorable was being hosted for lunch the day before Downstream by the Electricity Authority board and the opportunity to speak with each of the board members and the staff at the Authority.

We had the privilege of listening to both Energy and Resources Minister Megan Woods and Climate Change Minister James Shaw at Downstream. One take-out from the conference is that we have an interventionist government that believes in the power of the state to effect change for good – and when we consider potential reforms and initiatives in the move towards a zero carbon economy or the promotion and adoption of emerging technology, it is clear that MEUG, and likely many other organisations, will need to effectively engage with government over coming years in ways we might not have done in recent times.

Commerce Commission input methodology work continues

The Commission has been busy through March and into April, with its latest decisions on improvements to the capex input methodology (the rules governing Transpower's investment in the national grid).

Transpower are expected to spend around \$1.4 billion over the current regulatory period. A similar spend is expected over the next regulated period, 2020 – 2025 – all of which consumers will have to pay for.

While MEUG is still working through the details of the draft text released by the Commission, overall the whole package looks to be an improvement. On most changes proposed by the Commission there was agreement by both Transpower and MEUG and the level of engagement throughout the process with the Commission, Transpower and other submitters such as Contact Energy has been very good.

We were pleased to see the Commission adopt the recommendation by MEUG and NZIER that Transpower publish additional information to assist customers understand higher cost and effects on reliability with future increases in capex.

At the Executive Committee in April

This month the MEUG executive committee looks forward to hosting Contact Energy Chief Executive Dennis Barnes and Chief Generation and Development Officer James Kilty, who will share their views on the sector. We also welcome our first engagement with the National Party's Energy and Resources spokesperson Jonathan Young and Commerce and Consumer Affairs

spokesperson Brett Hudson.

Key dates

What's on	Who	When	Notes for members
Submission: UDL disputes scheme	Utilities Disputes Ltd	06 April	The disputes scheme is reviewed and updated periodically. MEUG is monitoring, but not submitting in this round, as commercial and industrial customers can use the scheme.
Submission: Customer compensation scheme	Electricity Authority	10 April	Non-controversial refinements. MEUG is not submitting.
MEUG Executive Committee monthly meeting	MEUG	11 April	<p>Guests include:</p> <ul style="list-style-type: none"> • Dennis Barnes, CEO Contact Energy, and James Kilty, Chief Generation and Development Officer at Contact Energy. • Jonathan Young, National MP for New Plymouth and spokesperson on Energy and Resources, and Brett Hudson, National list MP and spokesperson on Commerce and Consumer Affairs.
Submission: Section of BPE-WIL line reconductoring	Transpower	17 April	A section of the Bunnythorpe-Wilton line is nearing the end of its life. Approval by the Commerce Commission on replacement (and type) or not are needed. While costs are modest (~\$44m), it's important as costs are recovered from all customers in NZ.
Nominations close: IPAG	Electricity Authority	17 April	Innovation & Participation Advisory Group nominee must have experience in representing a household consumer perspective. MEUG is not nominating any members.
Submission: Capex IM Determination	Commerce Commission	24 April	Determination gives effect to policy decisions announced 29 March. We will check as the devil can be in the detail.