

Moving towards a low carbon future

The consultation on the Zero Carbon Bill by the Ministry for the Environment was a focus in July, and work on climate change-related matters will remain a focus for MEUG for the foreseeable future.

MEUG supports efforts to lower carbon emissions in New Zealand globally. Given the uncertainty inherent in designing policy frameworks spanning decades, a focus for us is ensuring decisions are not made today that lock us into specific pathways that may prove to be wrong, or which lead to modest emissions reductions at too high a cost. If we do that we risk losing public support and solutions will not be durable.

Key points in MEUG's submission on the Zero Carbon Bill included:

1. We support the establishment of the Interim Climate Change Committee and the creation of an independent Climate Change Commission with advisory powers. Final decision-making should rest with publicly accountable, elected officials.
2. Government should not 'pick favourites' in terms of interventions or technologies, but provide a regulatory and policy regime that creates the right incentives and keeps options for how to achieve established goals on the table.
3. We need an evidence-based approach to reducing emissions. Climate change policies will inevitably entail a degree of disruption that will impact on businesses and households. Major decisions on how to best reduce emissions should be subject to a Cost-Benefit-Analysis (CBA) so decision-makers can make informed decisions understanding the likely results of, and trade-offs inherent in, any major policy process.
4. Potential carbon targets need to be rigorously tested, including assessment of economic and social impacts, i.e. all transition costs including social and economic are assessed, not just of potential carbon reductions. Accordingly, we don't favour setting targets in legislation now before that work is done.

MEUG meetings

MEUG would like to thank the Interim Climate Change Committee for its engagement with our Executive Committee in July. We'd also like to thank Dr Brent Layton for discussing the Electricity Authority's more narrowly focused work programme and Transpower for their early engagement on their next regulated control period (RCP3). In August we'll be in Auckland ahead of the Deloitte Energy Excellence Awards and focusing on default distribution agreements and demand-side response.

Key dates

What's on	Who	When	Notes for members
Evening seminar: Customers & power decisions	ERANZ	1 August	Electricity Retailers Association of NZ (ERANZ) seminar.
Lunchtime seminar: Andrew Clennett, CEO Hiringa Energy	BusinessNZ Energy Council	3 August	BusinessNZ Energy Council (BEC) seminar. Hiringa is investigating hydrogen for heavy transport.
Energy Trader Forum	Freeman media	8 August	Useful quarterly roundup for the industry. Forum this quarter is in Wellington.
Submission: Transmission Alternatives engagement process	Transpower	10 August	Alternatives to traditional monopoly line services and dependence on grid supplied electricity are likely to become prevalent driven by emerging technologies, lower costs for existing technologies, improvements to monopoly line pricing and new business models. Transmission Alternatives are part of the suite of these alternative products and services that Transpower is gearing up for; hence this inaugural consultation on engagement processes.
Cross-submission: Customised Price-Quality Path (CPP) process review	Commerce Commission	14 August	Lessons learned from recent Powerco and Wellington Electricity Lines Ltd CPP applications and decisions will improve outcomes from future applications.
MEUG Executive Committee monthly meeting	MEUG	22 August	Auckland.
Launch of Penrose 1 MW grid connected battery trial	Mercury Energy	22 August	Hon Dr Megan Woods will be opening this NZ-first at Mercury's Southdown site.
Deloitte Energy Excellence Awards 2018, Auckland	Deloitte, Freeman media	22 August	Premier awards event for the electricity and energy sectors.
Submission: Draft Regulatory Control Period 3 (RCP3) proposal	Transpower	31 August	RCP3 is for the 5-years starting 1 st April 2020. ComCom makes decisions late 2019. At stake is whether ~\$933 million pa of transmission charges (base capex) is appropriate, too much or too little.