



## Update from the Chair

June 2018

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### MEUG annual general meeting

The MEUG AGM is on 13 June and we're looking forward to hosting the Minister of Energy and Resources, Hon Dr Megan Woods. The sector is facing the possibility of considerable change with the Government's 100% renewable electricity target, focus on climate change and the electricity pricing review. We look forward to engaging with the Minister on those and other issues. In July, MEUG will host the Minister for Climate Change Issues, Hon James Shaw, where we will pick up and continue discussions with Government on emissions reductions and the future shape of the sector.

### Industry representation

Much of the Government's work programme has the potential to affect all aspects of the electricity industry, from generation and transmission, to distribution, retail and ultimately end consumers of all types.

Yet as an industry we are not well placed to engage with Government. MEUG can make representations on behalf of large commercial and industrial users, ERANZ for retailers and the ENA on behalf of lines companies. While different parts of the industry don't always agree on issues and, in many cases, there are competing interests there are also core areas where much of the industry does agree – the reforms of the last 20 years have produced a mature, efficient industry, the current regulatory model is largely working well, what a push to 100% renewables means in terms of cost and for security of supply.

But Government has to navigate a large number of parties and try to form a view of what the industry is thinking, and to tap into industry leadership. It would be in the best interests of the industry generally, if leaders from across the industry could come together, agree areas of common perspective or interest, and form a pan-industry body to engage with Government over the next five years when much of the current reforms will be developed and enacted.

Such a group wouldn't replace the voices of individual organisations and businesses but could provide a strong, effective voice to Government and other bodies such as the Climate Commission from a NZ Inc perspective.

### Recognising achievement at the New Zealand Minerals Sector Awards

I would like to congratulate MEUG members for the outstanding work which was recently recognized at the annual New Zealand Minerals Sector Awards. OceanaGold won the Innovation Award for their psycho-social study of how Waihi residents are affected by blasting in underground gold workings, and the gaining of community acceptance of blasting. Congratulations also to Ravensdown who were a finalist for the Health and Safety Initiative

Award with an online tool to promote worker participation in workplace health and safety management and, again, to OceanaGold who were finalists for the Environmental Management Award with the Reefton Restoration project which transformed used mining land into native forest.

## Key dates

What's on	Who	When	Notes for members
Submission: Draft report, Low emissions economy	Productivity Commission	08 June	Very good framework. Scenarios factoring in the ban on new offshore oil and gas exploration are needed. Also work by Government on costs of transitioning to a zero emissions economy is needed.
Questionnaire: Extended Reserves – individual MEUG members to respond	System operator	08 June	Implementation of new ER regime is a high priority and supported by MEUG. This stock-take is needed to assist implementation.
Cross-submission: Auckland International Airport PSE3	ComCom	12 June	This Price Setting Event process is of interest to MEUG for precedents in WACC used (airports at 50 <sup>th</sup> percentile while energy monopolies at 67 <sup>th</sup> percentile) and how large new infrastructure is priced and funded.
MEUG AGM	MEUG	13 June	Guest speaker is Hon Dr Megan Woods, Minister of Energy & Resources.
MEUG Executive Committee monthly meeting	MEUG	13 June	Shortened meeting to align with AGM in morning.
Submission: Utilities Disputes Ltd scheme change	UDL	15 June	Scheme usually considered mainly for retail customers but does apply to commercial and industrial customers. MEUG will consider if changes are relevant to its members.
Panel discussion: On Te Mauri Hiko, Energy Futures	Transpower	19 June	Details to be advised by Transpower.
Annual Conference: Electricity Engineers Assoc.	EEA	20-22 June	Auckland.
Submission: Saves and wins	MDAG	29 June	Market Development Advisory Group (established by EA) paper of relevance to retail customers.