Option B: Continuance of supply expires but lines companies assist transition from lines supply to alternative.

a) If an advance notice period is used, what length of time should it be?

Based on the investment for the supply of "alternatives" in a correct, reliable (comparative to mains utility supply) and sustainable manner the advanced notice period will be required to allow for the consumers to save and budget for the required funding. This would dictate that a minimum of 3 years and preferable 5 years notification of the expiry could be expected.

It is certainly our view that 5 years will enable the consumers to facilitate the necessary funds and arm themselves with the required ability and knowledge to utilise and maintain these solutions to their fullest. This will also allow time for the alternative energy industry as a whole to come up to speed including laws/ regulation, accreditation and component quality control measures to assure the user of a quality system.

b) What other requirements could or should be placed on lines companies if continuance of supply expires?

At minimum they could be responsible for assistance either financially or otherwise for the distribution of literature to assist in the education of options (such as the physical distribution of literature or assistance in publication), the advantages and disadvantages and then possible “hand shake” with the retailers representative group such as SEANZ (upon review by ECCA). This would then enable minimal cost to the lines companies and ensure the consumer is still represented by a “governing” body in relation to quality of devices and service supplied etc.

c) What role would you expect the retailer to take as the continuance of supply expires and a change in supply is signalled?

As per question b) above we would expect the retailer has the responsibility in assisting lines companies in the initial literature and indeed education process (such as community discussions/ events etc) then the responsibility of ensuring they meat the required standards as set by a body (again such as Electrical safety/ regulation, SEANZ accreditation etc once reviewed and accepted by ECCA).

d) At what point after a lines company has assisted a transition should its responsibility cease?

In the event it is not mandated during the review of Section 62 that the lines companies have some further commitment then once the educational and handshake stage has ceased their responsibilities would cease. Having said this it may well be the case that they are then contracted back by the retailer to perform maintenance on certain areas of the solutions provided. For example in the event a larger community group is provided with AC power in a larger local main connection. In this instance the lines companies would be ideal to assist in the maintenance and upkeep of these “private” lines at rates that are acceptable by all parties.

Option C: Continuance of supply by lines with no expiry date.

Option D: Continuance of supply, using lines or alternatives, with no expiry date.

a) Should access to electricity supply for pre - 1993 connections be maintained with no expiry date? What issues could this raise?

From the pint of view of the consumer it would be the best option without doubt, however the reality is supply reliability may well still reduce and the non-economic lines would take a back seat.

Spread of this investment across NZ is my personal choice, however again discussion with many other parties shows that this is not the preferred option. The majority point of view we have found is that the choice is made to a certain extent of a “life style” in these areas. In many cases this choice holds it own unique benefits and it own drawbacks.

b) What expectations should there be from consumers around price, quality, reliability and capacity for continuance of supply (either by lines or by alternatives)?

The honest feedback we have received during our discussions with affected parties is that the reliability is not expected to get any better. ALL consumers, even those not directly affected by the expiry/ change potential of Section 62 are expecting the price of electricity will increase. The key would seem to be by how much would it increase to enable this supply to be mandated in an ongoing state?

Realistically any consumer connecting to alternative supply can expect an increase in involvement I the operation of any power systems, however many of the persons we have talked with in this situation (who are really going to be effected in the longer term) are capable of maintaining and running an alternative power solution.

Modern “alternative” power solutions will provide for high capacity, high reliability, high quality and low maintenance systems wile enabling a high degree of renewable resources are utilised to cut emissions such as those produced by Diesel (and smaller petrol) or GAS (LPG) generation plant.
Combined with a regulated industry the ability of retailer to supply these “alternative” solutions is good.

c) What scope is there for remote rural consumers to be supplied using alternative supply methods or for example, the method outlined in paragraph 47?

Looking at the applications we found the change from a 3 phase supply to single phase will cause issues and potentially increase the cost of utilizing the power itself. This is due to the large amount of 3 phase equipment often found at these more remote locations to enable effective farming and maintenance of equipment etc. For example the removal of 3 phase supply to a wool shed will result in either the replacement of the 3 phase equipment OR additional and expensive equipment that the consumer will be forced to pay. Further we would expect this will result in lower power quality and potentially lower capacity to the effected areas.

Having said this if the quality or capacity is not deemed to be effected then it most certainly has scope to enable a cheaper supply of electricity.

d) To what extent should there be a subsidy from other network users to those in remote, rural areas? (e.g domestic urban consumers to domestic rural, remote consumers)?

Again our discussion have found that neither the directly effected consumers or the consumers who will contribute feel this to be a fair option, how ever someone has to pay. Again in our own opinion a minimal subsidy to ensure a SUSTAINBLE power solution would be acceptable. Subsidy to provide high or moderate carbon producing electricity would not be acceptable.

An option that has arisen during our discussions is to provide for those paying the subsidy (basically all electricity consumers in urban and “less rural” or remote areas to offset these subsidies via the installation of renewable electric systems (such as Photovoltaics or wind solutions) which in turn will reduce or eliminate this subsidy and allow for an increase in sustainable generation.

e) If the continuance of supply is by lines or alternatives, should lines companies be able to cross-subsidise alternative-supply customers from lines-connected customers?

YES, again this cross subsidy should be available to some extent to all electricity consumers who want to provide their own sustain and renewable electric energy.

f) What terms and conditions for continuance of supply do consumers that were connected after 1993 have in their contracts?

Option E: Continuance of supply for a limited time beyond 2013.

a) Should the transition period be extended?

This would surely only prolong the final result?
We fell that a decision should be made either way from this point. Line maintenance cost will not greatly reduce, the materials involved are continuously increasing and the labor cost is also increasing (along with fuel costs to travel etc). Alternative technologies have reduced in cost and are continuing to reduce, however by 2013 this will be a significant reduction over even today’s cost for “alternatives”. Further to this by the time many of these customers actually become effected solutions could be in place to enable relatively low ongoing cost solutions.

b) ) If so, how long should it be extended for and what should happen at the end of the period?

We do not feel an extension is justifiable at this time.

Option F: Continuance of supply, using lines or alternatives, with no expiry date but subsidy is from all electricity users.

a) What issues are there with creating and employing a different subsidy mechanism in order to socialise the costs across all electricity users?

This raises many issues as per the above - Again our discussion have found that neither the directly effected consumers or the

consumers who will contribute feel this to be a fair option, how ever someone has to pay. Again in our own opinion a minimal subsidy to ensure a SUSTAINBLE power solution would be acceptable. Subsidy to provide high or moderate carbon producing electricity would not be acceptable.

Subsidising the cost across ALL taxpayers may offer a smaller over all increase? Further to this the ability to then create an incentive for the uptake of renewable generation technologies may provide those who wish to do so or who feel that this is not fair to take an option that will still benefit all New Zealanders and future generations to come.