From: Dean McLaren
To: Public Submissions - Electricity; Lisa White 2;
cc: Robin Brasell; Paul Irving; Tony Appleyard; Tim Bennetts; Karlheinz Knickel;
Subject: Amendments to the Government Policy Statement on Electricity Goverance - Ministry for the Environment"s comments
Date: Thursday, 19 March 2009 9:54:25 a.m.
Attachments: Draft GPS February 2009.DOC

Hello,

Overall, we acknowledge the revisions focus on security of supply policy, the desire to upgrade small scale investments by streamlining the investment approval process and removing reference to the NZES and NZEECS. We have a few comments with these in mind:

Administration of regulations and rules:

1. Is the Commission still expected to take account of wider Government policies now that the references to NZEECS, climate change, NPS's and NES's etc have been deleted from the GPS? If so, how (aside from the SEOG)?

2. Similar to comment above, what is the timeframe taken into account by the GPS, and therefore, the Commission?

Electricity Efficiency:

3. Para's 55 & 57 - we are pleased that EECA continues to be funded by the Commission and it will continue to work with the Senior Energy Officials Group to help develop priority energy efficiency programmes that the Commission will promote.

4. Para 56 - identifies those Government agencies responsible for improving energy efficiency in the stationary energy demand sector. We are keen for MED to define exactly what MfE's intended responsibilities will be.

5. Para 60 - MfE wishes to be consulted during the review of EECA's MOU with the Commission.

Other arrangements and programmes:

6. We note that the reference to the 5% discount rate for cost-benefit analyses of energy efficiency and other measures has been deleted from the GPS. With this in mind we recommend that MED and the Commission must indicate how Government will assess longer term benefits relating to issues such as climate change and other environmental externalities i.e. how will they be taken into account when assessing the cost-effectiveness of electricity efficiency programmes or arrangements? In many respects this can be couched as a 'security of supply' issue.

Renewable energy:

7. We note deletion of the para referring to integration issues. More specifically, this deletion means the Commission is now not required to investigate the extent to which hydro and other generation sources can be fully integrated with intermittent wind generation in order to maximise the potential of wind generation to be achieved. If the Commission is not to investigate this on behalf of Government, who will e.g. MED? We also note that this issue has direct links to the Government's renewable energy objectives identified in para 66, para 71 (let point 5) and para 77

Transmission:

8. Para 88 - there are more clear accountabilities now that the Commission is not required to assess and evaluate the merits of investment plans of less than $20 million. This has the potential to stimulate smaller scale renewable investment.

Environmental impacts:

9. Our assumption on the revised GPS is that the Commission is not concerned with environmental impacts because these are addressed by the Resource Management Act 1991. Is this correct?

Please contact me if you require clarification

Regards

Dean

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From: Jo Mackay [mailto:Jo.Mackay@med.govt.nz]
Sent: Tuesday, 3 March 2009 9:50 a.m.
To: Bruce Parkes; Dave Crawford; David.Cope@nzta.govt.nz; David Kelly; dominic.milicich@treasury.govt.nz; Eric Pyle; Gary Anaru; geoff.swainson@lgnz.co.nz; Jo Buckner; John Crawford; mervyn english; Mike Underhill; Paul Irving; Peter Thornbury; Richard Hawke
Cc: Bill Brander; Dean McLaren; Gavin Forrest; Irene Clarke; Jacqueline Blake; Jo Mackay; Joern Scherzer; Kevin Mara; Paul.Honeybone@dbh.govt.nz; Peter Smith; Robyn Fisher; tony.robinson@morst.govt.nz
Subject: FW: Amendments to the Government Policy Statement on Electricity Goverance

Hi all

FYI - submissions open for the review of the GPS on Electricity Governance. Apologies for any cross-postings.

Jo

From: Lisa White 2
Sent: Tuesday, 3 March 2009 9:47 a.m.
To: Jo Mackay
Subject: Amendments to the Government Policy Statement on Electricity Goverance

The current Government Policy Statement on Electricity Governance is being revised. The revisions fall into 3 broad categories:

- Emphasise the priority the government accords to security of supply policy.
- Express the government's desire to facilitate small grid upgrade investments by streamlining the investment approval process;
- Removing references to the New Zealand Energy Strategy (NZES) and New Zealand Energy Efficiency and Conservation Strategy (NZEECS). These strategies will be reviewed this year.

The Ministry invites feedback on the draft version of the Government Policy Statement (GPS) on Electricity Governance (copy attached).

Submissions close on **16 March 2009** .

The Ministry prefers written comments to be provided to electricity@med.govt.nz.

Otherwise they can be posted to:

Electricity Group
Energy & Communications Branch
Ministry of Economic Development
33 Bowen Street
PO Box 1473
Wellington
New Zealand

Background information is available via the Archived Documents on http://www.med.govt.nz/templates/ContentTopicSummary____21482.aspx

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