

20 September 2016

Submissions
Electricity Authority
PO Box 10041
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By email: submissions@ea.govt.nz

**SUBMISSION on
"Reorienting advisory groups" consultation paper**

1. Introduction

Thank you for the opportunity to make a submission on the reorienting advisory groups consultation paper. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

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2. Answers to discussion document questions

Consumer NZ agrees with the proposal to disestablish the Wholesale Advisory Group (WAG) and the Retail Advisory Group (RAG), and the proposal to establish two new advisory groups. We generally support the proposed purpose and scope of the Innovation and Participation Advisory Group (IPAG), with some caveats outlined in the responses below to selected questions in the consultation paper.

Question 1 – What feedback do you have on the proposed IPAG, including its purpose and scope?

We support the proposed scope of the IPAG, particularly the need to remove or minimise barriers to small scale providers of distributed energy resources. Given the increasing cost-effectiveness of small scale distributed generation, we believe it's essential to establish clear principles for pricing and the relationship with the distributor/clearing manager, so that potential prosumers can make informed decisions on the long-term economics of investing in distributed generation.

We think the IPAG should have a broad scope. In addition to the projects outlined in paragraph 2.4.4 of the consultation document, we suggest the IPAG should be involved in the ongoing development of new distribution pricing structures, especially with regards to how to best educate the public about new distribution pricing arrangements.

Q2. What are your views on the membership of IPAG, and how to engage the sorts of parties that will ensure it can achieve its purpose?

In our view, the IPAG's membership should be significantly broader than that of the RAG and WAG. We believe a larger pool of members from a variety of backgrounds is the best approach for tackling the impact of evolving technologies and business models on the electricity sector.

Researchers, innovative technology firms and people who have not traditionally been part of the electricity sector should all have a voice in the IPAG depending on the issue under consideration.

However, we believe there needs to be a core group of members involved in every project, including representatives from an organisation that represents consumers. As New Zealand's leading consumer organization, we are well-placed to fill this role.

While we agree with the proposal in the consultation paper that the IPAG should make use of surveys, focus groups and targeted consultation to gain the necessary insight into consumers' views, these should be complemented by a permanent member serving as the dedicated consumer representative.

Q3. What are your views as to how the IPAG might operate, so as to best achieve its purpose?

We agree with paragraph 2.4.14 that the IPAG will need to operate in a less formal and more dynamic way to effectively consult with less traditional industry participants. In particular, we support the use of video conferencing to seek feedback from overseas experts from countries where evolving technology, like solar PV or electric vehicles, has had a greater uptake than in New Zealand.

We also believe that Consumer NZ can make a valuable contribution to the IPAG through provision of the results of our regular surveys and investigations relating to the energy sector. This could include our annual energy satisfaction survey, and our investigations into new, evolving technologies such as solar PV and electric vehicles.

Q6. Do you agree with the Authority's proposal to:

a) introduce new terms of reference for the IPAG and MDAG, subject to the feedback provided under Q1 - Q5

b) replace the current terms of reference for the SRC in its entirety, with an updated and streamlined version

c) replace the current version of the charter in its entirety, with an updated and streamlined version?

We agree with the introduction of new terms of reference for the IPAG and the streamlining of the current version of the charter, on the proviso they take into account our feedback provided under Q1 - Q3.

Thank you for the opportunity to make a submission on the consultation paper. If you require any further information, please do not hesitate to contact me.

Yours sincerely

Sue Chetwin
Chief Executive