

24 January 2024

Energy Efficiency & Conservation Authority
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Wellington 6011

Via email: levyconsultation@eeeca.govt.nz

EECA 2024/25 LEVY CONSULTATION SUBMISSION

The Electricity Retailers' Association of New Zealand ('ERANZ') welcomes the opportunity to provide feedback on the EECA consultation document, *2024/25 energy levies funding proposal and related work programme*.

ERANZ is the industry association representing companies that sell electricity to Kiwi households and businesses. Our members supply almost 90 per cent of New Zealand's electricity. We work for a competitive, fair, and sustainable electricity market that benefits consumers.

Submission points

Overall, ERANZ supports the EECA's proposed levy allocations for the 2024/25 financial year and the work programme it partially funds.

ERANZ appreciates the fact that EECA is seeking to hold the levy steady from 2023/24 given the high inflationary environment customers are experiencing. This will provide some relief for households and businesses alike.

Within EECA's work programme, we encourage EECA to continue its work on equipment and appliance standards, particularly in-home electric vehicle chargers. Given these appliances are new, but about to become ubiquitous, now is the opportunity to ensure New Zealand's standards will serve us well into the future.

For example, electric vehicle charging will become a significant use for our electricity supply, so mandating these appliances must be "smart" will ensure that these devices are most useful to the owner and able to unlock system-wide benefits. Spill over benefits can flow to any aspect of the supply chain depending on how the device is used. For example, smart devices could be deployed as reserves, used to help cap retailers' charges, and help the system operator.

ERANZ also notes the recent Market Development Advisory Group ('MDAG') final report on improving our renewables-based electricity system. The report contains a number of recommendations for improvements including recommendation 20 for "increasing consumer awareness of the opportunities for providing demand side flexibility to the wholesale market". This

recommendation specifically notes the role EECA could play by educating customers and their advisors on how the future electricity market can operate and how they might take advantage of that.

ERANZ supports EECA taking a greater role in educating consumers about how they might actively participate in, and benefit from, the electricity market of the future. EECA has a trusted brand which is well-known as a repository of efficiency advice, this can be easily extended to include “flexibility” advice.

EECA does not have to undertake all education in this area, commercial providers and advisors will compete to give customers an easy and compelling experience, including education. However, EECA can provide entry-level information as well as continually evaluating that the resulting consumer products, such as electric vehicle chargers, are fit-for-purpose.

Finally, ERANZ reinforces the value of the Warm-up New Zealand insulation and heat pump programme for low-income households. From our industry view, this consumer care and affordable energy initiative is something we would like to see continue because it effectively helps to address energy hardship.

Conclusion

ERANZ would like to thank EECA for its work on promoting energy efficiency. We are happy to provide any further information on this submission as needed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Clark', with a long horizontal flourish extending to the right.

Kenny Clark
Policy Consultant