

30 July 2024

Jacki Jones
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Commerce Commission
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Sent via email: infrastructure.regulation@comcom.govt.nz

Dear Jacki

Information disclosure review for Transpower

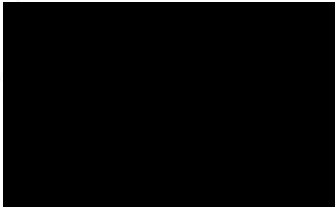
1. This is a brief submission from the Major Electricity Users' Group (MEUG) on the Commerce Commission's (Commission) draft decision paper "*Information Disclosure (Transpower Amendment Determination 2024)*"¹ published for consultation on 2 July 2024. This submission does not contain any confidential information and can be published on the Commission's website unaltered.
2. MEUG supports the Commission's draft decision to address "Issue #2: Aligning regulated revenue disclosure to updated TPM." Public disclosure of information relating to the proportion of transmission revenue recovered via connection, benefit-based and residual charges will assist stakeholders in understanding how successfully the sector is transitioning to the new Transmission Pricing Methodology (TPM) that was introduced in April 2023.
3. As we noted in our prior submission on the reset of Transpower's price quality path for 2025 – 2030,² MEUG has concerns with the current TPM. We consider that it is overly complex, and too large a proportion of costs are recovered via residual charges, rather than benefit-based charges. The TPM also lacks a peak pricing signal to incentivise the smoothing of demand – instead the focus continues to be on building networks to meet the ever-increasing level of peak demand. The addition of the proposed information to Transpower's disclosure schedules will enable us to review the proportion of charges recovered via different charge types, and therefore whether the TPM is working as intended.

¹ https://comcom.govt.nz/_data/assets/pdf_file/0034/357289/Information-Disclosure-Transpower-Amendment-Determination-2024-draft-decision-Reasons-paper-2-July-2024.pdf

² <http://www.meug.co.nz/node/1373>

4. If you have any questions regarding our submission, please contact MEUG on [REDACTED] or via email at [REDACTED].

Yours sincerely



Karen Boyes
Major Electricity Users' Group