

2 August 2024

EDB DPP4 Draft Decision  
Ben Woodham  
Electricity Distribution Manager  
Commerce Commission  
Via email: infrastructure.regulation@comcom.govt.nz

Tēnā koutou

## Long-term infrastructure settings must support long-term sustainable outcomes for customers

This is Alpine Energy Limited's (**Alpine, we**) cross-submission on the draft decision on the 2026-2030 default price-quality path for electricity distribution businesses. Having reviewed the submissions received by the Commission, our key submission points remain unchanged. We appreciate the opportunity to consider the submissions of other stakeholders and reflect on the implications for the final DPP4 determination.

**The draft decision is balanced and practical** and this is reflected in broad support across stakeholder submissions on the draft decision. Submissions offer well-considered recommendations to refine the decision to deliver long-term benefit to customers.

We observe eight themes across submissions which support enabling, rather than restraining, Electricity Distribution Businesses (**EDBs**) during the next DPP regulatory period.

- **The urgency of improving network resilience and enabling the energy transition has been diluted** by the technicalities of the DPP framework, and current economic conditions. Customers need to have confidence in EDBs to deliver the capacity and quality they expect as our sector responds to the urgent challenges of climate change and the energy transition. DPP4 settings for capex and opex and reopeners need to support this outcome.
- **EDBs are best placed to manage price impacts on customers** across the DPP regulatory period (and beyond). Regulatory settings around X-factors and revenue smoothing limits needs to support this. Submitters have raised factors relating to affordability and timing of price changes. This supports our view that EDBs can accommodate these factors better through pricing methodologies and revenue setting/smoothing decisions that have fewer constraints.
- **EDBs are clear that capex allowances set out in the draft decision do not enable the investment required** to deliver the pressing trifecta of network growth, resilience, and maintenance. The proportionate impact on customer prices by increasing capex allowances to 130% is small. Conversely, the long-term benefit of a resilient network that enables customer energy choices and new connection capacity is far more significant.
- **Opex step changes included in the draft decision are welcome and necessary.** The step changes reflect cost increases beyond EDBs control, and new activities required for prudent asset management. Submissions recognise these step

changes will enable more resilient and efficient electricity supply to customers, supporting an increase to the (arbitrary) cap on step change allowances in the draft decision.

- **Prioritising reopener guidance for EDBs is essential.** The sooner EDBs have clarity on application and assessment processes, information requirements, and timeframes, the sooner we can engage with customers about what it means for them. This will improve EDBs' efficiency, as well as customer confidence in the DPP framework and EDBs' planning processes.
- **The increase in value and flexibility of innovation settings is welcome across the sector.** Submitters almost universally agree that enabling EDB innovation is critical to a least-cost energy transition for the sector and for customers. We support submissions calling for an increase to the innovation and non-traditional solutions allowance (INTSA) cap, as long as this does not result in a material increase to the reporting burden and the ex-ante approval mechanism is retained.

## Investment in network resilience should not be a trade-off

There is a notable lack of discussion about network resilience in submissions. We are concerned that the short-term focus of current economic conditions and a reliance on historic data has distracted from the well-known and evidenced urgency of climate change adaptation.

Where resilience is addressed by submitters, the urgency of investment, and the consequences to consumers if EDB investment is not enabled though the DPP are central points. We agree with Orion's submission that:

"... with insufficient allowances, EDBs will need to make difficult trade-offs between maintaining their existing networks, improving the network's resilience and providing for new connections. While customers do not want unnecessary cost increase, they also want a network that provides reliable and resilient electricity and provides for new connections in a timely manner."<sup>1</sup>

We also support the Electricity Networks Aotearoa (ENA) submission that:

"The risks and consequences of under-investment by EDBs manifesting in slower decarbonisation and less resilience in distribution networks in the face of extreme weather events is far higher than the risk and consequence of small price increase spread over the life of the infrastructure funded by EDBs to meet these needs."<sup>2</sup>

Consumer NZ state that "the value to be derived by delivering resilient infrastructure will be undone if the cost of that resilience is an increasing segment of the population unable

---

<sup>1</sup> Orion Submission on EDB DPP4 Draft Decision, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0026/359234/Orion-Submission-on-EDB-DPP4-draft-decisions-11-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0026/359234/Orion-Submission-on-EDB-DPP4-draft-decisions-11-July-2024.pdf), pg. 4.

<sup>2</sup> Electricity Networks Aotearoa, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0028/359218/Electricity-Networks-Aotearoa-ENA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0028/359218/Electricity-Networks-Aotearoa-ENA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 7.

to heat their homes adequately or facing disconnection from their electricity supply because they are unable to pay their escalating power bills.”<sup>3</sup>

We acknowledge that affordability is a challenge for the whole electricity system. However, we do not agree that deferring resilience investment (until potentially after a significant weather event) is in the best interests of customers. The World Economic Forum has estimated that for every \$1 spend on climate change adaptation now (through a range of approaches including increased infrastructure resilience), there is avoided costs of \$2 -10 in the future.<sup>4</sup>

We agree with submitters, including SolarZero and Rewiring Aotearoa<sup>5</sup>, that new technologies such as solar and batteries provide a new approach to resilience. They are part of the solution set along with conventional supply options. We believe that, as a result of the much-improved innovation mechanism in DPP4, EDBs will be genuinely incentivised to innovate. We look forward to collaborating with our peers and other stakeholders to resiliency and efficiency improvements for customers.

The purpose of Part 4 regulation is to promote long-term benefits to consumers. The long-term benefits of network resilience are assured. Capex and opex allowances need to be set to a level that enables, rather than deters investment in network resilience. The outcome: when our customers most need their lights and heating on and communications to be working, our networks are standing strong.

## Uncertainty remains, but the direction of travel is clear

Uncertainty is a common theme through both the Commission’s draft decision and submitters seeking to retain DPP3 expenditure settings into DPP4. We acknowledge there are uncertainties in the DPP4 period, particularly over the impact and timing of electrification, which has been exacerbated by current economic conditions. The direction of travel for the expenditure drivers for EDBs is clear and unchanged:

- The government phase out of coal boilers by 2037 remains in place and industrial customers will need to decarbonise by this date, and market forces continue to apply pressure for low- and zero-emissions goods.<sup>6</sup> Distribution networks across New Zealand need to build capacity to meet this future demand. The Mid-South Canterbury RETA study shows how significant electrification of process heat will be for our customers in South Canterbury.<sup>7</sup>

---

<sup>3</sup> Consumer NZ, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0030/359238/Powerswitch-Consumer-NZ-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0030/359238/Powerswitch-Consumer-NZ-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf) pg.4 .

<sup>4</sup> The World Economic Forum, How millions of lives could be saved by closing the climate adaptation finance gap, <https://www.weforum.org/agenda/2023/01/davos23-climate-adaptation-finance-gap-and-save-millions-of-lives/> .

<sup>5</sup> Solar Zero, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0024/359241/SolarZero-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0024/359241/SolarZero-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf) , pg.10; Rewiring Aotearoa, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0023/359240/Rewiring-Aotearoa-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0023/359240/Rewiring-Aotearoa-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 1.

<sup>6</sup> Chapman Tripp, Protecting New Zealand’s Competitive advantage, 29 April 2024, <https://champantripp.com/about-us/news/protecting-new-zealand-s-competitive-advantage-new-report-reveals-scale-and-pace-of-changes-facing-our-exporters-in-global-esg-reporting-and-sustainability-trade-measures/> .

<sup>7</sup> Mid-South Canterbury Regional Energy Transition Accelerator - Phase One Report, June 2023 <https://www.eeca.govt.nz/assets/EECA-Resources/Co-funding/EECA-Mid-South-Canterbury-RETA-Report.pdf>

- Transport electrification remains a key tenant of NZ’s emissions reduction policies. “Rapidly converting as much of the light vehicle fleet as possible to low- or zero-emissions vehicles will help us reach the net-zero target by 2050.”<sup>8</sup>
- Investment in non-traditional solutions, and the expertise to deliver these solutions, is essential to support a lowest-cost transition to a net-zero carbon economy.
- Investment in network resilience is essential, to ensure, as critical infrastructure, our distribution networks can continue to serve customers and communities in the face of increasing climate change-related and seismic risk. The government’s Critical Infrastructure Resilience Programme is proposing the instruction of minimum resilience requirements for all critical infrastructure entities.<sup>9</sup>

For EDBs to maintain, strengthen and grow their networks during this critical DPP4 period, regulatory settings are better to err on the side of sufficient expenditure allowances (capex and opex) to enable prudent asset management. As noted above, regulatory mechanisms provide flexibility for EDBs to manage price impacts through time (and beyond the DPP4 period).

## Maximising the capability for EDBs to manage price impacts

*Setting x-factors.* A number of submitters comment on the settings that affect when EDBs recover revenues (X factors).<sup>10</sup> We share the concern about the timing and incidence of price changes, which is why we have suggested as few constraints and limits are set on EDBs that attempt to manage this at a macro level. This can limit the ability of EDBs to manage price changes for individual and groups of customers.

*Aligning funding with delivery.* We do not support the approach proposed by the Major Electricity Users Group (MEUG) to weight a higher proportion of funding to be recovered in the later years of the DPP, which they argue will address deliverability and uncertainty concerns.<sup>11</sup> Our own expenditure profile across the period is lumpy because of high cost, lower resource switching station and substation developments planned across this period. Backloading revenue recovery will have the opposite effect to what MEUG is hoping to achieve and will impact EDB cash-flows and financeability. EDBs stage work programmes with great care to ensure deliverability and in close consultation with large customers on the timing of their own projects.

---

<sup>8</sup> Discussion Document: New Zealand’s Second Emissions Reduction Plan 2026-30, <https://environment.govt.nz/assets/publications/climate-change/New-Zealands-second-emissions-reduction-plan-Discussion-document.pdf>, pg 61.

<sup>9</sup> Department of the Prime Minister and Cabinet, Critical Infrastructure Resilience, <https://www.dpmc.govt.nz/our-programmes/national-security/critical-infrastructure-resilience>

<sup>10</sup> Major Electricity Users Group, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 2; Fonterra, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 1.

<sup>11</sup> Major Electricity Users Group, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 2.

**Our conclusion** any limits on annual revenue recovery changes are wide and non-constraining. We think there is a case to remove them to remove potential distortions on from reopeners or other factors that could affect annual price setting.

## Capital expenditure settings support reliable networks

We are pleased to see a high level of agreement across all interested parties that this DPP period needs to allow EDBs the ability to maintain and grow their networks, and broad support for the Commission's increase of capex allowances.<sup>12</sup>

We support the submissions made by other EDBs, in line with our own submission, to raise the capex allowance to 130%. These submissions make a compelling case. While the customer cost impact is negligible (as highlighted by submission from Wellington Electricity, Unison and others), the purpose of Part 4 is promoted through prudent EDB investment for the long-term interest of customers.<sup>13</sup>

Fonterra have submitted that EDB capex allowances should be held at historic levels and only inflated by the CGPI, as the previous two DPPs have shown no significant increase and end customers have not suffered any decline in SAIDI or SAIFI measures.<sup>14</sup> This rationale makes sense if forecasts resemble history. The consensus view from independent industry forecasts from across the sector is that the future will be different and at pace. Fonterra's decarbonisation roadmap is an excellent example of this<sup>15</sup> demonstrating a range of actions which aren't a replay of history. The same is true for other infrastructure providers like EDBs. We do not believe a "future = history" logic should drive DPP4 settings.

Capping EDB capex allowances by CGPI, as suggested by Fonterra, or anything less than 130%, is insufficient to enable EDBs to deliver safe and reliable networks and support the transition to a net-zero emissions economy.

MUEG state they are unconvinced by the demand growth predicted by many EDBs given their view of "a dampening in electricity demand following the change in government policy, and a slowing economy."<sup>16</sup>

We acknowledge the removal of the GIDI Fund and the Clean Car Discount has resulted in some uncertainty, particularly for industrial decarbonisation and light vehicle fleet electrification. However, as we have highlighted earlier, 2037 coal phase out remains in place, and the government's draft Emissions Reduction Plan (ERP) includes a commitment to enable 10,000 public EV charging points by 2030 (an increase of 8,750).

---

<sup>12</sup> EECA, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359217/EECA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359217/EECA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 1; Business Energy Council, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0023/359213/Business-Energy-Council-BEC-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0023/359213/Business-Energy-Council-BEC-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 2.

<sup>13</sup> Wellington Electricity, [comcom.govt.nz/\\_data/assets/pdf\\_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg 10-11; Unison, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359244/Unison-Networks-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359244/Unison-Networks-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 4-5.

<sup>14</sup> Fonterra, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 1.

<sup>15</sup> <https://www.fonterra.com/nz/en/sustainability/planet/climate.html>

<sup>16</sup> MUEG, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 3.

As we highlighted in our previous submission, we have a high degree of certainty over our demand forecasts and resulting system growth investment plan, following close engagement with customers over the past two years. These are largely driven by industrial growth and decarbonisation, and transport electrification projects.

An increase to a 130% cap on capex would result in a total increase in EDB revenue of 0.3%, while deferring critical system growth and resilience investment would have a far greater negative impact on our customers' ability to grow and decarbonise.

**We recommend** the Commission increase the capex allowance to 130% of the historical reference period.

## Operating expenditure

Our submission focussed on options to assess opex step changes. We noted that there could be unintended consequences by not approving opex step changes where it related to essential aspects of EDB operations – potentially every step change category. We noted no strong evidence opposing this.

Insurance costs received specific attention in submissions. Alternative options for treatment of insurance raised by EDBs, including Unison and Wellington Electricity, to treat insurance as a pass-through cost,<sup>17</sup> and MEUG seeking investigation for other options for electricity infrastructure insurance such as coverage by the Natural Hazards Commission (formerly EQC).<sup>18</sup>

We support Wellington Electricity's submission that:

“Additional flexibility mechanisms, specifically an opex reopener, and an insurance pass-through, would correct the weakness in the base-step trend methodology while maintaining the low-cost nature of the DPP.”<sup>19</sup>

We note the Commission has issued a notice to amend the IMs in relating to insurance.

**Our conclusion** DPP4 is a good opportunity to provide a pass-through mechanism for insurance opex. This will incentivise appropriate insurance cover for EDBs, providing greater protection for customers.

## Reopener process needs to provide clarity for customers

At least four EDB submissions, including Alpine, note the likelihood of requiring one or more reopeners during this DPP period, and Wellington Electricity's analysis suggests the Commission could receive well over 100 applications based on current capex allowances.<sup>20</sup>

---

<sup>17</sup> Wellington Electricity, [comcom.govt.nz/\\_\\_data/assets/pdf\\_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/__data/assets/pdf_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 24; Orion, [https://comcom.govt.nz/\\_\\_data/assets/pdf\\_file/0026/359234/Orion-Submission-on-EDB-DPP4-draft-decisions-11-July-2024.pdf](https://comcom.govt.nz/__data/assets/pdf_file/0026/359234/Orion-Submission-on-EDB-DPP4-draft-decisions-11-July-2024.pdf) pg. 8-9.

<sup>18</sup> MUEG; [https://comcom.govt.nz/\\_\\_data/assets/pdf\\_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/__data/assets/pdf_file/0027/359226/Major-Electricity-Users-Group-MEUG-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 5

<sup>19</sup> Wellington Electricity, [comcom.govt.nz/\\_\\_data/assets/pdf\\_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/__data/assets/pdf_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 21.

<sup>20</sup> Wellington Electricity, [comcom.govt.nz/\\_\\_data/assets/pdf\\_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/__data/assets/pdf_file/0028/359209/5BPUBLIC5D-Wellington-Electricity-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 11.



As many EDBs with capped capex have stated, the success of the regulatory regime in enabling customer growth and the energy transition, will rely on the Commission's ability to deliver an efficient and clear reopener process. Horizon Energy highlighted that an opaque reopener process will lead to inefficiencies for EDBs and the Commission and creates deliverability risk and unnecessary uncertainty for field service providers and customers.<sup>21</sup>

An overreliance on reopeners, creates an additional, and unnecessary layer of cost. It also creates uncertainty to EDBs, and their ability to plan appropriately for long-term delivery of network requirements. Increasing the capex allowance to 130% will reduce the number of reopeners, making the workload more manageable and efficient for EDBs and the Commission, without risking EDBs extracting excessive profits.

Many submissions express concern about the lack of detail regarding the reopener process. In comparison, submissions show a high level of comfort from stakeholders with the Innovation and Non-Traditional Solutions Allowance (INTSA) policy and mechanisms. We note that the Commission has scheduled a workshop to discuss innovation settings in August. We believe that the Commission's prioritisation of reopener guidelines would be more beneficial to the sector, and to customers. The sooner EDBs have clarity over reopener processes, the sooner we can collaborate with, and provide greater clarity to, affected customers. This will boost customer confidence in the regulatory system.

Having reviewed the proposed reopener guidelines prepared by PwC for the Big Six EDBs, we endorse this guidance as clear, reasonable, and proportionate.

We **recommend** the Commission prioritise a review of the reopener guidelines drafted by PwC for the Big Six and release or workshop the guidelines with stakeholders before the final DPP4 decision.

## Innovation allowance improvements are welcome

Most submitters, including EECA, Fonterra and Consumer NZ have acknowledged the improvement to innovation settings within the draft decision.<sup>22</sup> Many have called for a significant increase to the upper limit of INTSA (e.g., from 0.6% up to 5% of MAR). We agree with the ENA cross-submission on this matter.<sup>23</sup> We would support access to additional funding for innovation projects, so long as it does not material increase the regulatory burden for INTSA applications and reporting, and the ex-ante approval mechanism is retained.

We **recommend** the Commission retains the existing INTSA policy criteria and does not reduce the allowances set out in the draft decision. We would welcome an increase in allowances on the basis of no material changes to application and reporting criteria.

---

<sup>21</sup> Horizon Energy Group, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359208/5BPUBLIC5D-Horizon-Networks-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359208/5BPUBLIC5D-Horizon-Networks-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg 3.

<sup>22</sup> EECA, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/359217/EECA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/359217/EECA-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 4; Fonterra, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0025/359224/Fonterra-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 2; Consumer NZ, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0030/359238/Powerswitch-Consumer-NZ-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0030/359238/Powerswitch-Consumer-NZ-Submission-on-EDB-DPP4-draft-decisions-12-July-2024.pdf), pg. 7

<sup>23</sup> ENA, <https://www.ena.org.nz/submissions/previiously-published-ena-submissions/2024-submissions/document/1497>, pg. 2,

## We are committed to effective customer engagement

We support submissions made by the Consumer Advocacy Council and others that a customer focus must be integrated into distribution and transmission planning.<sup>24</sup> We support the DPP4 draft decision including (for the first time) an opex step change to recognise the costs associated with customer engagement.

Alpine is committed to increasing engagement across all customer groups and stakeholders so our planning and service delivery can best reflect their electricity needs and quality expectations. Effective engagement is a resource-hungry and time-consuming activity. To deliver on the valuable recommendations of the Consumer Advocacy Council, EDBs need to be able to recover reasonable costs through our prices.

Equally, we want to ensure that any additional future reporting requirements (e.g., Annual Delivery Reports, and outcomes for the Targeted Information Disclosure Reviews (TIDR)) deliver valuable information to consumers in an accessible way. There are opportunities to support EDB's efficiency by refining, rather than increasing, the information EDBs disclose for "interested persons", stakeholders, and customers.

We look forward to engaging with the Commission and consumer advocacy groups to refine EDB reporting frameworks. We believe this is best done through the Commission's TIDR programme and should combine introducing new high-value reporting requirements (potentially through an act/review/update approach) with removing low-value existing reporting requirements.

## Concluding Remarks

Alpine Energy Limited (Alpine) appreciates the opportunity to make a cross-submission on the draft decision on the default price-quality path for electricity distribution businesses. We look forward to engaging with the Commission in coming months to workshop DPP4 topics.

We do not consider any part of this submission confidential. Please don't hesitate to contact me if you wish to discuss our submission.

Yours sincerely,



**Fabia Fox**  
Regulatory Manager



---

<sup>24</sup> Consumer Energy Council, [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0024/359214/Consumer-Advocacy-Council-CAC-Submission-on-EDB-DPP4-draft-decisions-26-June-2024.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0024/359214/Consumer-Advocacy-Council-CAC-Submission-on-EDB-DPP4-draft-decisions-26-June-2024.pdf) pg. 3