

RESPONSE TO REQUEST FROM THE ELECTRICITY NETWORKS ASSOCIATION

Change in electricity use per residential user

1. On 6 August 2014, the ENA requested that we make available reference material relevant to future changes in electricity use per residential user.
2. Our draft views on future changes electricity use per residential consumer were set out in a paper that we published on 4 July 2014, in which:¹
 - 2.1 We noted that electricity distributors have argued that electricity use per residential user has declined in the recent past, and that the trend is therefore likely to continue;
 - 2.2 We noted that electricity price increases are starting to moderate, economic activity is picking up, and electric cars are becoming viable; and
 - 2.3 We therefore invited evidence on the likely pattern of future trends in electricity use per residential consumer, rather than historical analysis.
3. Examples of publicly available information include:²
 - Electricity price monitoring statistics:
<http://www.med.govt.nz/sectors-industries/energy/energy-modelling/data/prices/electricity-prices>
 - General residential usage trends:
<http://www.med.govt.nz/sectors-industries/energy/energy-modelling/data/electricity>
 - Electricity price index:
<http://www.stats.govt.nz/infoshare/>
 - Gross Domestic Product statistics:
http://www.stats.govt.nz/browse_for_stats/economic_indicators/gdp/info-releases.aspx

¹ Refer: Commerce Commission, “Low Cost Forecasting Approaches For Default Price-Quality Paths”, 4 July 2014, paragraph 5.18 to 5.20.

² We have also made independent forecasts of GDP (from the NZIER) available to interested parties under the NZIER’s commercial terms.

- Transpower demand forecasts:

<http://www.systemoperator.co.nz/security-supply/security-supply-annual-assessment>

- Electricity Authority, I on the Market:

<https://www.ea.govt.nz/about-us/media-and-publications/i-on-the-market/2014/18-retail-prices>

4. We look forward to receiving evidence on the likely pattern of future trends in electricity use per residential consumer, rather than historical analysis. Submissions on low cost forecasting approaches are due on 15 August 2014. Cross-submissions are due on 29 August 2014.