

16 August 2024

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Commerce Commission New Zealand

By email to: infrastructure.regulation@comcom.govt.nz

Submission on EDB DPP4 innovation and non-traditional solutions workshop – implementation design

Dear Ben

The Commerce Commission is seeking feedback on the “*Implementation design and application process for the innovation and non-traditional solutions allowance (INTSA)*” that it published materials on the 12 August 2024 for a 14 August 2024 workshop.

It is with pleasure that we submit our feedback on this consultation as follows:

1. We commend the Commission on publishing the Project Eligibility Assessment (PEA) and guidance for applying for the INTSA prior to the 14 August workshop.
2. We commend the Commission for the collaborative way it presented the PEA and guidance at the 14 August workshop and the way it engaged with the workshop participants.
3. We note from the DPP4 draft decision submissions, the cross submissions and the workshop that there is enthusiastic EDB (and third-party) support for a higher INTSA allowance and for the importance of applying some of this INTSA for energy efficiency.
4. It is therefore important that the Commission provides clarity on what energy efficiency activities would be accessible under INSTA. At present this is unclear. Residential and commercial energy efficient lighting, hot water and space heat pumps, and high efficiency electric motors should be included in the guidance.
5. We agree with the Commission’s suggestion that they provide detailed examples of what sorts of projects would qualify for INTSA innovation – including energy efficiency projects.
6. We agree with the Commission that providing guidance and a PEA should give EDBs clarity and help them to self-assess projects when applying for the INTSA, help to lower administration costs (for the Commission and EDBs), and help enable a consistent approval process.
7. We believe that the as-presented PEA and guidance provides an excellent starting point for EDBs (and third-party providers working with EDBs) to apply for INTSA funding.
8. We support the Commission holding informal engagement with EDBs who wish to discuss projects before applying for INTSA funding.

9. We note the Commission stating in the PEA guidance:

“If we finalise our draft decision on the draft INTSA under the DPP4 determination, we intend to publish final INTSA guidance, and a PEA template (similar to this document) before the start of the DPP4 regulatory period on 1 April 2025.”

10. We recommend that the Commission publish their final INTSA guidance and PEA template in November 2024 once the draft DPP4 decision is announced.

11. This will allow EBDs to immediately start work and submit INSTA applications to the Commission before 1 April 2025 – with the potential for EBDs to *“hit the ground running”* with INTSA projects underway from 1 April 2025.

Regards

Chris Mardon
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