



# MAJOR ELECTRICITY USERS' GROUP

1 March 2002

Mr Bill Naik  
Investigator  
Commerce Commission  
PO Box 2351  
WELLINGTON

By email to [Bill.Naik@comcom.govt.nz](mailto:Bill.Naik@comcom.govt.nz)

Dear Mr Naik

## **Re: Submission by Grid Security Committee to the Commission**

As a member of the Multi-Lateral Agreement on Common Quality Standards MEUG is aware that the Grid Security Committee has today lodged with the Commission a submission relating to the application for authorisation by EGB Limited.

The GSC submission recognises that a number of individual members of the Committee (or MACQS) have lodged submissions that oppose the authorisation of the "new arrangements" in whole or part.

This brief supplementary submission by MEUG is to put the GSC submission in context vis a vis the MEUG submission dated 22nd February 2002.

MEUG has been a strong supporter of the MACQS/GSC process and believes that it is at the point of delivering significant benefits to all users of electricity in respect of common quality standards and security issues. The extent of involvement of consumers around the GSC table, ie three out of ten members, the involvement in working groups, their membership of MACQS, and the voting arrangements has meant that the input and interests of consumers have been regarded.

Four critical issues (from MEUG's perspective) arise from the GSC submission:

- The changes in the governance, membership, voting, representation, rule making and rule changing processes significantly disadvantage consumers and are a retrograde step from the arrangements authorised in Decision 369.
- The desirability of mandatory arrangements in respect of common quality standards applying to all industry participants has been seriously down played, notwithstanding that this issue has been fundamental to both Transpower and consumers.
- The "advantages" described in the submission relating to the involvement of grid users, improved specifications and accountability, use of new market mechanisms, improved cost allocations and enhanced accountability for the system Operator are in no way dependent on the EGEC process, or the authorisation of the new arrangements.

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- A number of these “advantages” including the new frequency standards are likely to be implemented by Transpower (subject to legal issues being resolved) in the near future. This reinforces MEUG’s view that the new arrangements and the EGB are not pre-requisites to achieving significant progress on common quality issues.

It is possible that MEUG will need to comment further on this issue during the next phases of this process.

Yours sincerely

Terrence Currie  
Chairman