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DPP4 Workshop: Innovation and non-traditional solutions

Introduction

The Lines Company Limited (TLC) thanks the Commerce Commission (Commission) for the opportunity to submit on the Commission's *DPP4 Workshop: Innovation and non-traditional solutions* discussed on 4 March 2024. The Commission is seeking submissions on the emerging views in the workshop and workshop materials, or on other matters relevant to the development of an INTSA scheme.

TLC's submission

TLC supports the submission made by Electricity Networks Aotearoa (ENA). Several key issues that TLC wishes to highlight are:

1. *Funding is not impeded by an EDB's maximum allowable revenue.* For example, for DPP3, TLC's innovation project allowance was 0.1% or \$181,000 of TLC's forecast allowable revenue (excluding pass-through and recoverable costs). This amount over a five-year period would not go far. TLC are keen for the Commission to implement other metrics to determine the available funding that would help encourage smaller distributors.
2. *Collaborative projects with pooling of available funding.* TLC urges the Commission to encourage a collaborative and sharing approach between all parties that could contribute to an innovative and non-traditional solution project – this includes distributors working together. For example, TLC is a member of the Northern Energy Group (NEG), and it is possible that we may work with other NEG members on projects for the long-term benefit of consumers.
3. *Level of signoff.* TLC encourages the Commission to allow pragmatism for research and test projects by allowing delegated authority within a business to assist a workable INTSA scheme.

Summary

We hope this submission helps – if the Commission has any queries, please contact Craig G. Donaldson, Pricing & Regulatory Specialist, at [REDACTED].

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