

**From:** Molly Melhuish [REDACTED]  
**Sent:** Monday, 3 May 2021 11:44 AM  
**To:** regulation.branch <[regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)>  
**Subject:** Re: Commerce Commission - Open letter on priorities for energy networks... Scope of your work

Hi Andy:

There's massive discussion overseas on "emerging issues that relate to New Zealand's decarbonisation and use of new energy sector technologies and business models:

For example, a webinar tomorrow by the AEMC: "It is impossible to overstate the scale and pace of change in Australia's electricity sector. The new renewable based energy doesn't fit well in the old system design. The design must change. This is the best chance we have of setting up Australia's energy system for the future."

I am a member of the Electricity Brains Trust run by an analyst, Jim Lazar, recently retired from the Regulatory Assistance Project. There's extensive discussion of the need for, **and difficulty of**, engaging solar energy and (especially) energy efficiency, into electricity markets so the resource owners (distributed) can benefit from their investments and management of their resources to help accommodate variable renewable energy resources (VERs).

1. To what extent is Comcom aware of this work?

2, are you aware of the issue raised by the Sustainable Energy Forum at the EGBL application, <https://www.comcom.govt.nz/dmsdocument/10472>

the Sustainable Energy Forum ("the SEF") suggested that "at the retail level electricity is eminently substitutable by many other resources, which we term "distributed resources" ... there can be special features in individual markets, **such as the impact of distributed resources on the retail market, which may need to be recognised** when considering the impact of the Arrangement. The Commission is confident that it has been able to do this within the market definition framework it has adopted.

I will be asking that ComCom revisit this choice as part of your study of emerging issues.

Regards,  
Molly Melhuish