



25 May 2018

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Response to the Commerce Commission's open letter on emerging technologies

Christchurch City Holdings Limited (CCHL) welcomes the opportunity to comment on the Commerce Commission's (the Commission) open letter "Our intention to gather information relating to emerging technologies", 9 May 2018.

We have read and support the response to the open letter from Orion New Zealand Limited (Orion).

In particular, as the owner of Orion for the interests of the people of Canterbury, we wish to emphasise the need for Orion to take a long-term view of what is required to deliver electricity to the Christchurch network area over the coming decades. Orion is the custodian of infrastructure that is vital to the economic and social well-being of the area, and it must have a strategic view of how the needs of customers, the impact of technology, and sources of supply will evolve and impact the network.

This is being underscored regularly as international and domestic policy evolves to respond to the threat of climate change. The government has committed New Zealand to the Paris Accord. The Productivity Commission is currently consulting on the pathway for New Zealand toward a low carbon economy by 2050. The modelling and policy proposals from the Productivity Commission emphasise the importance of New Zealand achieving a transition to mass uptake of electric vehicles, and electrification of industrial processes.

It is in this context that CCHL supports the investments being made by Orion to stimulate demand in electric vehicles and understand the implications of the changes in demand, flows, and technology for the network and future investment. We need to be sure that we are transitioning to this pathway in the smartest, most efficient, and reliable way. In our view, this is central to the business of Orion and the role it plays in the local economy.

We urge the Commission to engage with the strategic challenges facing the electricity distribution businesses when forming its views on the scope of investment needed to deliver their services, and the interplay between the settings for economic regulation and the goals being set for the sector by the government.



If it would help to discuss these issues with CCHL please contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Munro'.

Paul Munro
Chief Executive Officer