

19 July 2023

Submissions
Regulation Branch
Commerce Commission
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WELLINGTON

By Email: IM.Review@comcom.govt.nz

The Lines Company – Submission on the Commerce Commission’s 2023 Input Methodologies Review

1. The Lines Company (TLC) thanks the Commerce Commission (the Commission) for this opportunity to submit on the Commission’s draft decisions as set out in the ‘2023 Input Methodologies (IM’s) Review’.
2. TLC largely supports the submission of the Electricity Networks Association (ENA) and the recommendations they have proposed. TLC calls upon the Commission to give the ENA’s submission full and proper consideration during their preparations for the final determination.
3. The review documents outline the Commission’s proposed amendments to the IM’s that must be applied under Part 4 of the Commerce Act (the Act) to the regulation of electricity distribution businesses (EDB’s) to promote the long-term benefit of consumers.
4. TLC acknowledges the Commission’s efforts with ongoing improvement to regulatory processes and procedures and appreciates that the Commission is conscious of the various challenges EDB’s face. These include:
 - Balancing reliability,
 - Reducing energy hardship,
 - Sustainability in the drive towards decarbonisation,
 - Uncertainty over the scale and pace of change of electricity demand,
 - Need for adaptation and resilience to hazards and events as a result of climate change and a changing global economy, and
 - Development and deployment of new innovations and technologies.
5. The electricity distribution sector is about to undergo unprecedented large-scale transformation. To enable EDB’s to adapt and deliver, it is essential we have robust regulatory processes and procedures in place that are not only flexible and fit for purpose, but also provide certainty to enable EDB’s to manage and mitigate risk, incentives to encourage ongoing investment and innovation, and opportunities for the development and implementation of new innovation and technologies.
6. The Commission has found that the current regime is broadly fit for purpose and has opted to maintain the status quo by retaining key elements of the current regime with minor adjustments proposed to attempt to address uncertainty, provide clarification where needed and better promote the purposes of Part Four. TLC supports the majority of the amendments as they, for the most part, are appropriate, provide necessary clarity and reduce regulatory complexity.

Yours sincerely
The Lines Company