



6 December 2016

Electricity Authority
By email: submissions@ea.govt.nz

2017/18 levy-funded appropriations and strategic priorities

Meridian welcomes the opportunity to submit on the Electricity Authority's consultation paper '2017/18 levy-funded appropriations and strategic priorities'.

We continue to support the work of the Authority. Since its inception, the Authority has implemented numerous industry improvements, bringing material benefits to electricity consumers. As identified by the Authority in its consultation document, the industry is evolving quickly and the Authority will also have to evolve its approach to meet these new challenges. There also remain a number of ongoing projects of critical importance to the industry.

In particular:

- Meridian considers reaching a fair and durable approach to transmission pricing remains the most important project on the Authority's work programme given the significant implications for the industry and consumers. We support the Authority committing all necessary resources to resolving this issue as soon as possible;
- With adoption of new technologies growing, we agree it is a critical time to ensure consumers and industry participants are facing appropriate price signals. We strongly support the Authority's ongoing work on distribution pricing to ensure this outcome is achieved;
- We support the increase to the Authority's electricity litigation fund. It is important the Authority has sufficient resources to respond to any legal challenges which might arise, most notably with respect to transmission pricing;
- Meridian supports the System Operator's (SO) proposed service enhancement project to enhance the current electronic dispatch facility. Meridian participated in the SO's

workshops on this issue earlier in the year and found them useful. Our specific responses to the SO's questions on this project are attached in Appendix A.

Please let me know if you have any queries regarding this submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hall', is positioned above the typed name.

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Appendix A: Meridian response to consultation questions

	Question	Comment
1	Do you agree that a transition away from GENCO to a new dispatch facility is merited?	Yes.
2	Is a transition away from GENCO by December 2020 feasible? If you do not agree, what would be a feasible timeframe to transition away from GENCO?	Yes.
3	If you operate a GENCO, would you commit to transition away from GENCO if that were a requirement for this investment to proceed?	Meridian is likely to be able to commit to a transition, although commitment will ultimately depend on the solution adopted. Meridian supports the use of ICCP as an alternative communications protocol in a replacement electronic dispatch facility.
4	Provided a new dispatch facility is being implemented, do you agree that the 'Redundancy Option' is an appropriate approach? If not, which alternate approach do you consider is appropriate, and why?	Yes, Meridian agrees improving redundancy is an important feature of a new electronic dispatch system.
5	Do you agree that the long term end benefits outweigh the investment cost and merit the proposed investment?	Yes.
6	Are there any other quantifiable or qualitative benefits that we have not discussed?	No.