

## Transmission Pricing Methodology Submission Hamish Walker, Clutha-Southland MP

I write in support of the Electricity Authority's proposal to allow a customer to apply for a prudent discount if its transmission charges would exceed the standalone cost of the transmission services it receives.

Growing wholesale electricity prices have continued to put huge pressures on industrial and commercial consumers. Businesses continue to echo they have experienced millions of dollars in increased power costs. This is heaping pressure onto their businesses and affecting their commercial sustainability.

Rio Tinto which owns the Tiwai Aluminium Smelter here in Southland is one of these businesses.

It has had to review the Tiwai Point Aluminium Smelter as rising electricity costs mean the business may no longer be commercially viable.

Tiwai Point produces some of the purest aluminium in the world with most of its electricity coming from a zero-carbon source. If it stopped producing then world demand would be met by smelters with higher carbon emissions.

However providing a solution, like the prudent discount, was in place, the reduced cost to the business overall would mean it can continue to produce the purest aluminium in the world.

This is why I am writing in support of the prudent discount scheme.

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