



5 September 2024

Transpower
By email: wbop@transpower.co.nz

Western Bay of Plenty: Major Capex Proposal short-list consultation

Meridian appreciates the opportunity to comment on Transpower's Western Bay of Plenty Development Plan: Major Capex Proposal short-list consultation.

At this stage, Meridian does not have strong opinions on the investment need, short-listed options, or preliminary application of the investment test. Further details of indicative cost allocations are needed for Meridian to make an informed comment.

Transpower indicates that there will be further consultation on starting benefit-based investment customer allocations under the transmission pricing methodology (TPM) for any resulting major capex proposal. However, in Meridian's opinion, an indication of the likely customer allocations would help to inform the current short-list consultation and should not be left till later in the process.

As the Authority made clear when introducing the new TPM, benefit-based charges are intended to increase scrutiny of proposed transmission investments because consumers who would benefit and end up paying for a grid investment will be interested in having a say on that investment, to make sure it is fit for purpose and better than alternative solutions.

The consultation paper simply notes that Powerco is the sole electricity distribution company in the Western Bay of Plenty region and is expected to have the highest allocation of costs, while also stating in a footnote that generators might also benefit as the increased transmission capacity provides an opportunity for them to provide electricity which would

otherwise be curtailed. There has been no attempt to quantify indicative customer allocations.

Transmission customers need to understand indicative cost allocations in greater detail in order to better engage with the short-list consultation and understand the costs and benefits to their businesses as well as to consumers.

Meridian suggests best practice would be that Transpower provides indicative customer allocations for *all* short-list consultations that may result in benefit-based investments including, but not limited to, the current consultation.

Please contact me if you have any queries regarding this submission.

Nāku noa, nā



Sam Fleming
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