



14 December 2018

Submissions
Energy Efficiency and Conservation Authority
By email: levyconsultation@eeca.govt.nz

EECA's 2019/20 levy funding proposal and related work programme

Meridian appreciates the opportunity to provide feedback on the Energy Efficiency and Conservation Authority's (EECA) levy funding proposal for the 2019/20 work programme.

We understand that the proposal is for the electricity levy to provide \$5.2 million of funding to EECA for the 2019/20 financial year. This is the same level of electricity levy funding as the previous financial year. The EECA portion of the electricity levy is collected from purchasers of electricity from the wholesale market (including retailers such as Meridian). This levy is passed on to consumers and is estimated to cost an average of \$0.84 per household each year.

EECA proposes to use electricity levies to partially fund the following activities in 2019/20:

- **The Equipment Energy Efficiency (E3) Programme:** \$2.3 million is sought from the electricity levy to invest in the E3 Programme to develop business and residential product energy efficiency standards and regulations.
- **Large Energy User programme:** \$2.65 million is sought from the electricity levy to invest in the Large Energy User programme to support businesses in energy efficient and renewable energy investments, and the adoption of best energy management practice.
- **The technology demonstration programme:** \$0.25 million is also sought from the electricity levy to invest in the Technology Demonstration Programme. This will support demonstration projects for proven, but under-utilised energy efficient technologies and processes.

Meridian supports EECA's proposed levy expenditure for 2019/20 as we expect a direct benefit to consumers from energy efficiency and cost savings. Energy efficiency initiatives also present opportunities to reduce carbon emissions, which Meridian fully supports as a generator of electricity from 100% renewable sources.

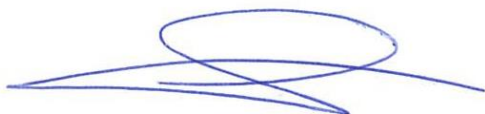
As noted in the consultation document, the Energy Innovation (Electric Vehicles and Other Matters) Amendment Act has expanded the purposes for which the levies may be used so that they may now be applied to meet a portion of EECA's costs in performing its statutory functions, namely to encourage, promote, and support energy efficiency, energy conservation, and *the use of renewable sources of energy*. Meridian encourages EECA to use this flexibility to contribute to the Government's goal of transitioning New Zealand to a low-emissions economy.

The EECA programmes partially funded by the electricity levy, in general, have an emphasis on electricity efficiency and conservation. While this is worthwhile, we expect that over time as New Zealand electricity generation approaches 100 percent renewable, it will be increasingly less important from an emissions reduction perspective. Switching from fossil fuel-based energy sources to renewable and low-emissions energy sources will deliver greater benefits, both in terms of emissions reduction and cost-efficiency as the price of carbon increases. While projects should always be assessed on a case by case basis, Meridian would like to see EECA focus more on the electrification of transport and industrial process heat.

Meridian supports the 2019/20 levy funding proposed for the EV Programme, comprising the contestable fund and information campaign. Meridian strongly supports EECA's work to accelerate the uptake of EVs and overcome investment barriers. We agree that the "widespread uptake of EVs will help New Zealand meet its climate change commitments, reduce fossil fuel consumption, improve local air quality, save money, diversify the sources of our transport energy, and enhance energy security".

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

Yours sincerely



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A. Responses to consultation questions

	Question	Response
1	What kinds of engagement have you or your organisation had with EECA?	Meridian has applied for funding from round five of the Low Emission Vehicles Contestable Fund.
2.	What forms of energy do you or your organisation use, and which levies do you pay? <ul style="list-style-type: none"> • Electricity Industry Levy • Petroleum or Engine Fuel Monitoring (PEFM) Levy • Gas Safety, Monitoring and Energy Efficiency (GSMEE) Levy 	Meridian pays the electricity levy as an electricity generator and as a retailer. We pass on the costs of the levy to Meridian customers.
3.	EECA's proposed levy-funded work programme in 2019/20 will request funding from the three energy levies set out in question 2. Do you support EECA's levy proposal for \$13.8 million in 2019/20?	Yes.
4.	Do you support the proportions EECA has requested across the three energy levies?	Yes.
5.	Which of EECA's levy-funded activities is of most interest to you: <ul style="list-style-type: none"> • Low Emissions Vehicle Contestable Fund • EV Information Campaign • Equipment Energy Efficiency (E3) Programme • Large Energy User Programme • Technology Demonstration Programme 	The EV Programme and all programmes that are part funded by the electricity levy.
6.	Do you support the mix of levy-funded activities listed above?	Yes.

7.	<p>Are there any new activities or specific sectors that you think EECA should invest more or less levy funding in for 2019/20, and in the future?</p>	<p>Please see the cover letter of this submission. Meridian would like EECA programmes to focus more on the transition to a low-emissions economy.</p>
8.	<p>Do you agree that EECA's levy-funded activities result in benefits for New Zealand businesses and consumers in:</p> <ul style="list-style-type: none"> • Reducing greenhouse gas emissions • Reducing engine fuel consumption (e.g. petrol and diesel) • Improving energy productivity • Improving electricity efficiency • Improving gas efficiency • Encouraging, promoting, and supporting energy efficiency, energy conservation, and the use of renewable sources of energy? 	<p>Yes.</p>
9.	<p>Would you like to provide any other comments on EECA's 2019/20 levy proposal and activities?</p>	<p>No.</p>