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Secretary: David Inch, david@nzenergy.co.nz

14 September 2020

Rebecca Osborne
Head of Grid Pricing Strategy
Transpower New Zealand Limited
P O Box 1021
Wellington

By email: TPM@transpower.co.nz

Dear Rebecca,

Re: TPM Development: Connection Charges Consultation Paper

The Independent Electricity Generators Association Incorporated (IEGA) welcomes the opportunity to make this submission on Transpower's proposed changes to the TPM in relation to connection charges.

Obviously distributed generation is by definition not connected directly to the transmission grid, however, we have an interest to ensure any changes to the definition, charging or treatment of transmission connection assets do not have unintended consequences for:

- investment in distributed generation which is or could be an economic by-pass for transmission investment – such as new distributed generation that could be developed and perform the same services as distributed generation that is already the subject of notionally embedded generation and prudent discount agreements.
- Transpower's consideration of non-transmission alternatives as a result of a change to regular updating of replacement costs.

We query the proposal that the injection overhead component appears to be charging injection customers a portion of the overhead costs of interconnection assets to connection assets (clause 21, page A31). If our interpretation is correct, we suggest this a problem with the TPM Guidelines that should be remedied rather than the TPM developed to reflect a spurious Guideline decision.

The IEGA would welcome the opportunity to discuss this submission with you in more detail.

Yours sincerely

Warren McNabb
Chair