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## Submission on the NZEECS Refresh: 2017-2022 Targeted Consultation

### Introduction

1. This is Vector Limited's (Vector) submission on the Ministry of Business, Innovation & Employment's (MBIE) targeted consultation document, *New Zealand Energy Efficiency and Conservation Refresh: 2017–2022*, dated May 2016.
2. We support MBIE's proposed goal and objectives for the *New Zealand Energy Efficiency and Conservation Strategy* (NZEECS) for 2017-2022. We believe a new energy future includes wide-scale adoption of emerging technologies that enable greater energy efficiency and promote the use of renewable energy.
3. Vector's contact person for this submission is:  
  
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4. No part of this submission is confidential and we are happy for it to be made publicly available.

### Responses to targeted consultation questions

1. *Do you have any comments on the background, changing energy context or opportunities presented in this document? Are there any factors that the government should have in mind when preparing the new NZEECS?*

5. The changing energy context provides huge potential for the Government, businesses and consumers to achieve energy efficiency gains and enable New Zealand to transition towards a low emissions economy. We support the Government's proposed refresh of the NZEECS,

which identifies sectors in the economy where significant efficiency improvements can be realised.

6. We agree with the consultation document that massive efficiency gains can be made from New Zealand's transport and industrial heat sectors. We would also like to see the *Draft NZEECS* emphasise that while energy efficiencies are already being realised in the electricity sector, the future holds even greater potential for further efficiency improvements and emission reductions using emerging technologies.
7. The introduction of emerging technologies such as grid scale and residential batteries, solar PV, home-management systems, electric vehicles, and the continued deployment and utilisation of advanced electricity meters collectively present a game-changing opportunity for achieving the objectives of the NZEECS.
8. Globally these solutions are providing consumers greater control of their energy consumption and enabling them to confidently engage with the market and make choices about their energy consumption. Recognising the potential of such technologies for both cost savings and reducing emissions, governments globally are increasingly becoming active in developing policies to accelerate their rollout.
9. The same potential that is being recognised internationally is also true for New Zealand. For example:
  - The use of grid-scale and home batteries during peak periods provides an alternative for network augmentation and New Zealand's dependence on carbon emitting fuels to generate electricity, which are often used during peak periods, e.g. the use of peaking thermal plant.
  - Advanced meters enable time-of-use tariffs that provide consumers the ability to alter their consumption patterns to reduce energy expenditure. Price incentives to 'smooth out' load and relieve pressure on network peaks also lead to efficiency savings.
  - Advanced meters also facilitate "smart networks", providing distributors the capability to shift load around their networks and detect faults in a timely manner, enabling them to operate their network more efficiently.
  - We are also seeing the convergence of transport and energy, with electric vehicles (EVs) forming part of the mix. EVs have the potential to contribute to a significant reduction in emissions in New Zealand, where over 80% of electricity supply comes from renewable sources. In addition to our standard EV chargers, Vector plans to have installed 21 rapid chargers in Auckland by November 2016 to support new consumer uptake of EV technology as well as support the Government's recently announced EV initiative.

10. Vector is committed to embracing such opportunities which deliver significant energy efficiencies and choice to our customers and which also allow us to use our assets optimally.

2. *Do you agree with the proposed NZEECS goal outlined in Section 5.2 of this document: For New Zealand to be more energy efficient, productive and a low emissions economy? (agree/disagree and explain)*
3. *Do you have any comments on the proposed objectives of the strategy outlined in Section 5.2 of this document?*

11. We agree with the proposed goal and objectives for the refreshed NZEECS.

5. *Do you agree with the three main target areas (business heat, transport and electricity) identified in this document?*
6. *Do you consider the proposed 'three actors' approach (individuals, business and government) outlined in this document is useful for developing strategies for the NZEECS? If not, what alternatives or improvements would you suggest?*

12. We agree with the proposed three main target areas and the development of strategies for each set of actors, while recognising the increasing convergence of the target areas (e.g. energy and transport) and interdependencies of the three actors.

7. *What types of policies should the government consider to encourage greater energy efficiency and use of renewables?*
8. *What role should the government play in delivering the strategy?*

13. Emerging technologies that enable step changes in energy efficiency and promote the use of renewable energy are providing opportunities and challenges not previously contemplated by current policy/regulatory frameworks.

14. Vector believes any policy or regulation for emerging technologies should enhance, rather than diminish, incentives to invest and innovate. The rapid evolution of energy technologies and markets makes it important that new assets can be installed to meet the changing requirements of the energy sector and consumers. A desired outcome of the refreshed NZEECS (and the broader *New Zealand Energy Strategy*) should be for investments in emerging technologies to be viewed as opportunities rather than a regulatory burden.

15. Incentives to invest in emerging technologies are enhanced where there is regulatory certainty and a consistent policy agenda for energy efficiency. Of course, changes to rules and regulations (if needed) should be based on evidence and be flexible enough to evolve at the same rate as emerging technologies.

9. *What in your view are the major opportunities (technologies and actions) that could help you, your organisation or your sector become more **energy efficient**? Do you find that there are barriers that prevent you from making the most of these opportunities? If so, what are they?*

10. *What in your view are the major opportunities (technologies and actions) that could help you, your organisation or your sector to make greater use of **renewable energy**? Do you find that there are barriers that prevent you from making the most of these opportunities? If so, what are they?*

16. Vector sees major opportunities for achieving energy efficiencies and promoting the use of renewable energy. We support the objectives of the NZEECS and will continue to provide and develop offerings in areas such as commercial and residential batteries, solar PV and electric vehicle charging, which both deliver customer choice and actively support the Government's energy efficiency strategy.

13. *Please add any other comments you have.*

17. We look forward to actively engaging with MBIE officials on the further development of the *Draft NZEECS* for 2017-2022. In particular, we are happy to share our experience and our plans in providing emerging energy technologies and services in New Zealand and Australia if that could be helpful.

Yours sincerely



**Mark Toner**  
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