

15 September 2020

Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

Vector Limited
101 Carlton Gore Rd
PO BOX 99882
Auckland 1149
New Zealand
+64 9 978 7788 / vector.co.nz

By email: debtdeferralscheme@ea.govt.nz

Submission on the Proposed Closure of the COVID-19 Debt Deferral Scheme

1. This is Vector Limited's (Vector) submission on the Electricity Authority's (the Authority) consultation paper, *COVID-19 Retailer Debt Deferral Scheme feedback on proposal to close*, dated 1 September 2020.
2. Vector supports the Authority's proposed amendment to the *Electricity Industry Participation Code 2010* to close the COVID-19 Retailer Debt Deferral Scheme (the Scheme) as soon as possible, i.e. prior to its expiry date of 20 February 2021.
3. The Scheme was established as a short-term solution to address retailers' short-term cash flow issues as a result of the extraordinary impacts of COVID-19. It was intended to avoid cascading retailer failure that would reduce retail competition and choice for consumers.
4. Given there has only been one application to access the Scheme, which was unsuccessful, we agree with the Authority that the likelihood of retailers accessing the Scheme going forward is very low. We also agree that, with residential and commercial electricity debt continuing to remain within historical levels, the likelihood of cascading retailer failure is very low. As such, the continued existence of the Scheme has become unnecessary and unwarranted.
5. We further agree with the Authority that closing the Scheme early would clarify future options for retailers, allowing them to focus on more durable funding options. This would reduce uncertainty for retailers and the distributors that assumed new obligations under the Scheme, allowing these parties and the industry to now focus on post-lockdown recovery.
6. No part of this submission is confidential, and we are happy for the Authority to publish it.
7. Please contact me at Neil.Williams@vector.co.nz or 09 978 7633 if you have any questions or require further information.

Yours sincerely
For and on behalf of Vector Limited



Neil Williams
GM Market Regulation