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New Zealand Infrastructure Commission
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Powerco feedback on He Tūāpapa ki te Ora

The Infrastructure Commission is uniquely placed to assess and guide how New Zealand's infrastructure needs are met over the coming decades. Powerco is a gas and electricity distributor and support the Commission's commentary about the state of the sector and key issues. The energy industry is already highly regulated, so the Commission's top down and whole-of-system approach is appropriate and supports insightful observations.

Managing interdependencies is a key component of the energy strategy For energy sector infrastructure, there is a overlap (and alignment) between the Infrastructure Commission and Climate Change Commission. Addressing the interdependencies between gas and electricity infrastructure needs is an essential component of the proposed national energy strategy. Powerco engaged with the Climate Change Commission on the implications of their advice on the energy sector, including the role of gas to support the decarbonisation of New Zealand's economy and the need for a permissive planning environment.

Treat transmission and distribution more similar than different The Commission notes the challenge for distribution networks to "cope with the future installation of tens of thousands of local generation, storage and demand-management facilities". We agree. This will require a response similar to that identified in F2.3 for Transpower. The key outcome of F2.3 is to "make it easier for Transpower to build spare capacity ahead of provable need". This could be extended to distribution networks for the reason identified by the Commission ie

"make it easier for Transpower *and distributors* to build spare capacity ahead of provable need".

The Commission is not alone in recognising the challenges to energy infrastructure providers to support net-zero 2050. Transmission and distribution providers will *both* need policy and regulatory settings to enable them to deliver the needs of stakeholders, whether they be using networks to consume, supply, or transact energy. We support the Electricity Network Association's comments about the national energy strategy content, and proposal F2.2 on integrating distributed energy resources.

Please contact Andrew Kerr (Andrew.kerr@powerco.co.nz) if you have any questions about our submission.

Kind regards



Andrew Kerr
Head of Policy, Regulation, and Markets