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Commerce Commission
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Alpine Energy's Submission on Resilience Principles: Decision-making framework for critical infrastructure providers - Draft Guidance document Consultation

Alpine Energy welcomes the opportunity to make a submission on the Commerce Commission's draft guidance document, *Resilience Principles: Decision-making Framework for Critical Infrastructure Providers*.

Overall, Alpine Energy supports the direction of the Commerce Commission's draft guidance and its objective of promoting a structured, evidence-based and proportionate approach to resilience-related investment decision-making. The guidance provides a useful framework for strengthening resilience planning and supporting consistency across infrastructure sectors while recognising differing levels of organisational maturity.

Alpine Energy also supports the Electricity Networks Aotearoa (ENA) submission and agrees with its key recommendations.

In particular, Alpine Energy supports the following elements of the draft guidance:

- A risk-based and evidence-based approach to resilience investment decision-making.
- Integration of resilience into existing asset management and investment planning processes.
- Consideration of multi-hazard risks, asset criticality, interdependencies, and community impacts.
- A proportionate approach, where the level of analysis reflects the scale and complexity of the investment.
- Recognition that resilience maturity varies across infrastructure providers, and that expectations should evolve in line with organisational capability and maturity.
- Greater emphasis on cross-sector coordination, shared resilience outcomes, and interdependent investments, where resilience outcomes depend on multiple organisations.
- The Commission's focus on continuous improvement in resilience capability and decision-making maturity over time.

While Alpine Energy is supportive of the guidance, we consider that further clarification in some areas would assist infrastructure providers to apply the framework consistently. In particular, we encourage the Commission to provide additional guidance on:

- Worked examples demonstrating the practical application of the principles particularly for Price-Quality Path reopeners.
- Proportionality and framework selection - Greater clarity on analytical expectations and framework selection for investments of differing scale and complexity.

- Resilience maturity – Guidance on maturity pathways, implementation expectations, and the use of maturity assessment frameworks.
- Interdependencies and shared outcomes – Clarification of how the framework applies where resilience outcomes depend on multiple parties.
- Emergency and unforeseen investments – Guidance on applying the framework to urgent resilience projects, including reopener applications.
- Resilience-related disclosures: how resilience risks, investments and organisational maturity should be reflected within existing AMP and Information Disclosure requirements.

Alpine Energy considers that addressing these areas would improve regulatory certainty, support more consistent application of the guidance across sectors, and assist suppliers in continuing to strengthen resilience planning and investment decision-making.

The detailed responses to the consultation questions are attached.

Thank you for considering Alpine Energy's submission. We would welcome the opportunity to discuss any aspect of our submission further.

Yours sincerely,

A black rectangular box used to redact the signature of Fabia Fox.

Fabia Fox
Regulatory Manager

Attachment: Alpine Energy Limited's response to the consultation questions

Alpine Energy Limited's response to the Consultation questions

Making our guidance clear and effective

1. Is the draft guidance clear about its purpose and practical status, including the level of analysis and rigour the Commission expects for more material resilience expenditure proposals?

The guidance provides a useful high-level framework for incorporating resilience considerations into investment decision-making and clearly signals the Commission's desired direction for improving resilience maturity. The principles are generally understandable and supported by practical examples.

However, additional guidance would be helpful on the level of analysis expected for projects of different scale, complexity, and materiality. While the guidance promotes a proportionate approach, it is not yet clear how the Commission will assess whether the analysis undertaken and the framework selected are proportionate and fit for purpose.

The ResOrgs report is a useful accompaniment to the Commission's guidelines. It provides a comprehensive overview of a range of resilience assessment and decision-making frameworks and notes that there is no one-size-fits-all approach. Instead, it emphasises that utilities should follow a structured process to develop a robust resilience investment business case, with the choice of framework reflecting the nature of the investment, the level of uncertainty, data availability, and the complexity of the issue being assessed. It also provides clear recommendations we would support the Commission following.

2. Is it clear how the draft guidance should be applied proportionately across sectors with different levels of maturity?

Alpine supports the Commission's recognition that infrastructure providers are at different stages of their resilience maturity journey and that the level of analysis should be proportionate to the scale, complexity and materiality of the investment being assessed.

The draft guidance notes that "*we expect to see the more mature providers use the robust frameworks*" but does not indicate which frameworks would generally be considered "robust" or under what circumstances different frameworks should be preferred.

Clarification would be helpful on how the guidance should be applied in practice across providers with different levels of maturity. For example, it is unclear when or if the Commission would expect providers to apply more sophisticated approaches such as Robust Decision Making (RDM), Dynamic Adaptive Policy Pathways (DAPP), Real Options Analysis, MERIT modelling or advanced cost-benefit analysis, compared with simpler and more qualitative assessments.

The Commission could consider providing:

- A maturity-based implementation roadmap, including expectations for the pace of maturity development. Section 2.5 refers to a transition to more mature resilience decision-making occurring within a "*reasonably short timeframe*", but further clarity on this expectation would be helpful.
- Examples of minimum expectations for emerging, intermediate and mature organisations.

- Resilience maturity and tool selection Guidance: Further guidance would be valuable on how existing resilience maturity frameworks, such as the EEA Resilience Management Maturity Assessment Tool (RMMAT) could be used to inform the selection and application of decision-making frameworks and evaluation tools. This would help infrastructure providers understand how Commerce Commission expectations may evolve as resilience maturity increases and support a more proportionate approach to applying frameworks and tools relative to organisational capability, investment scale, and complexity. This would improve consistency and provide greater certainty for regulated suppliers.

3. Are there implementation barriers, overlaps, or accountability issues in the wider resilience and regulatory landscape that may affect how this guidance is applied in practice?

Application of Guidance- Section 1.3 states- *"These principles all apply in every case, just to a different extent - with the level of expected analysis proportionate to the scale, context and materiality of the investment being considered"*.

Alpine supports this approach but would welcome further guidance on how the principles will be applied through existing regulatory processes, particularly DPP reopener applications. It would be useful to understand whether the resilience principles introduce additional evidential requirements beyond current reopener assessment criteria, and how proportionality and maturity will be applied when assessing resilience-related reopener or Custom-Price Path applications.

For unforeseen or emergency resilience projects, including those arising from resilience-related decisions made by other infrastructure providers greater clarity on the expected level of analysis, consultation, and supporting evidence would provide greater regulatory certainty.

The guidance appropriately recognises the importance of infrastructure interdependencies and cross-sector coordination. However, further clarity would be useful on how the Commission expects providers to apply the framework where resilience outcomes depend on actions by third parties, such as other infrastructure operators, local authorities, emergency management agencies, landowners or regulators. For example, in the event of Transpower moving a flood risk GXP, or a local authority relocating a water treatment plant at risk of coastal erosion or inundation, how would an electricity distribution business impacted by these external decisions be expected to apply the guidelines. In these situations, accountability, prioritisation and investment responsibilities can be difficult to determine, particularly where a provider's ability to improve resilience is constrained by decisions outside its direct control.

Alpine considers additional guidance on shared accountability; interdependent investments and the assessment of shared resilience outcomes would be beneficial.

4. What areas should the Commission prioritise in further work (for example, business case guidance, resilience measures, maturity assessment, interdependency information, or reporting)?

Alpine supports further work in the following areas:

- Sector-specific resilience business case guidance.
- Worked examples of resilience reopener applications, demonstrating proportionate evidence requirements and assessment expectations for resilience-related investments.
- Examples of resilience investment assessments across different scales and complexity and use advanced modelling techniques.

- Further guidance on how resilience considerations should be reflected in Asset Management Plan (AMP) and Information Disclosure requirements, including expectations for reporting resilience risks, investments and organisational maturity.
- We recommend the Commission work closely with the Infrastructure Commission and other agencies to explore:
 - o Explore opportunities for resilience-related disclosures where material infrastructure interdependencies exist.
 - o Develop practical guidance for assessing and prioritising investments where resilience outcomes depend on multiple organisations or shared infrastructure systems.

Completeness and usefulness

5. Which aspects of the draft guidance are most helpful for informing your investment decision making, and why?

The guidance helps by showing the likely direction of future resilience planning and investment assessment requirements. Alpine Energy supports the Commission's intention to provide the necessary support and guidance to help distributors further develop the tools and capabilities needed to understand and demonstrate progress towards the outcomes the Commission is seeking.

6. Which parts of the draft guidance are unclear, unnecessary, or could be improved? Please explain.

The guidance could be strengthened by:

- Proportionality and level of analysis – Further clarity on the level of analysis expected for investments of different scale, complexity and materiality. Refer to Question 1 response.
- Framework selection – Additional guidance on how the Commission will assess whether the selected analytical approach or decision-making framework is proportionate and fit for purpose. Refer to Questions 1 and 2 responses.
- Resilience maturity expectations – Greater clarity on maturity pathways, minimum expectations for organisations at different stages of maturity, and the role of maturity assessment frameworks. Refer to Question 2 response.
- Interdependencies and shared accountability – Further guidance on the application of the framework where resilience outcomes depend on third parties or cross-sector investments. Refer to Question 3 response.
- Emergency and unforeseen resilience projects – Clarification on the expected level of analysis, documentation and consultation for urgent resilience investments, including projects considered through existing reopener mechanisms. Refer to Question 3 response.

7. Are any principles missing? Are there areas of overlap where the principles could be simplified or streamlined?

No additional feedback to provide.

8. Are there any missing frameworks or evaluation tools that should be included or referenced?

No additional feedback to provide.

Your current approach and experience

9. To what extent do you already apply these principles in your resilience-related decision-making processes? If not, what currently guides your resilience-related investment decisions?

Alpine Energy already applies many of the principles reflected in the Commerce Commission's resilience decision-making guidance through risk-based planning, scenario analysis, adaptive investment triggers, asset criticality assessments, and collaboration through regional lifelines groups. Resilience-related investment decisions are informed by Condition-Based Asset Risk Management (CBARM), asset health modelling, network modelling, hazard assessments, security of supply standards, the Network Risk Tool, and structured option analysis.

While these practices provide a strong foundation, Alpine Energy continues to enhance its asset management and resilience capabilities. As resilience maturity evolves, there will be opportunities to further align planning and investment approaches with emerging Commerce Commission guidance, particularly in the areas of adaptive pathways planning, economic resilience valuation, interdependency assessment, and community-centred resilience evaluation.

10. Do you have practical examples of applying these principles - in a specific sector, or cross-sector - that could be shared to support other users of the guidance?

No examples to share currently.

Community, Māori and place-based considerations

11. How should the framework recognise and reflect iwi, hapū, and Māori perspectives, including capability, resources, and relationships that support resilience, particularly in smaller or more isolated communities?

Alpine supports meaningful engagement with iwi, hapū and Māori where resilience investments may affect communities, cultural values, or service outcomes. Alpine has no additional comments on this matter.

12. Which cross-sector vulnerabilities and interdependencies should the framework place the greatest emphasis on, and expect infrastructure providers and the Commission to pay closest attention to?

Alpine supports the guidance's recognition of infrastructure interdependencies and the need for coordinated resilience planning. However, additional clarity would be helpful on how resilience investment decisions should be assessed where responsibilities are shared across multiple organisations and where a provider's ability to deliver resilience outcomes is influenced by factors outside its direct control.

While the guidance supports robust resilience-based decision-making, practical implementation can be challenging where resilience outcomes depend on third-party approvals, land access arrangements, planning requirements, or the actions of other infrastructure providers. For example, a decision to relocate an underground substation above ground to improve earthquake resilience may conflict with local authority requirements, public amenity considerations, council infrastructure, or the interests of adjacent landowners.

Further guidance would be valuable on shared accountability, collective decision-making, and how resilience investments can be progressed where third-party approvals or competing stakeholder interests may constrain delivery.