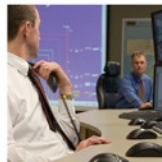
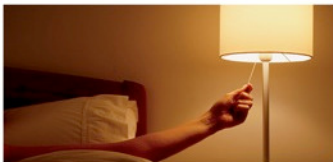


Emerging Technologies

IM Issues Forum
29 July 2015

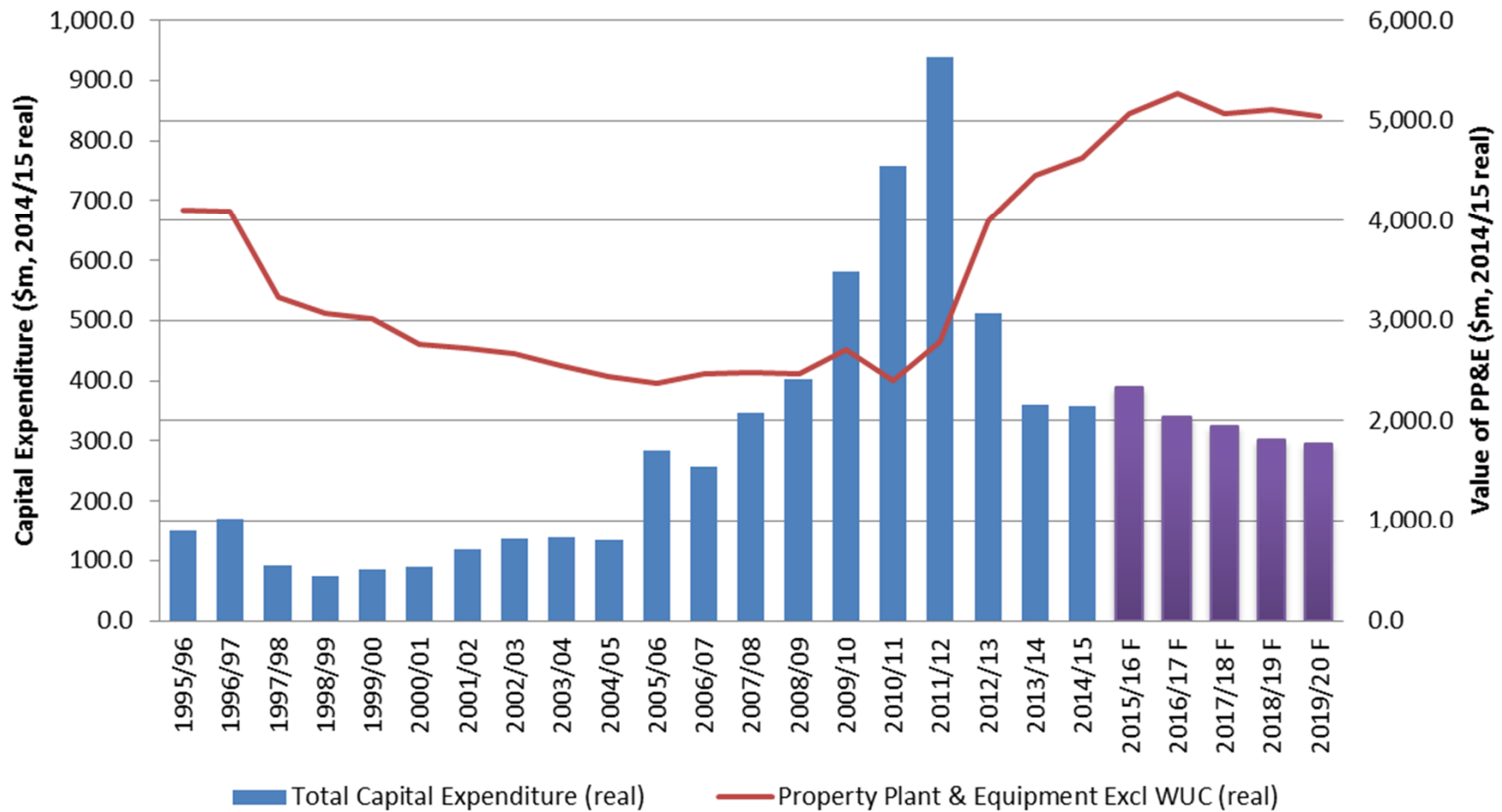
TRANSPower



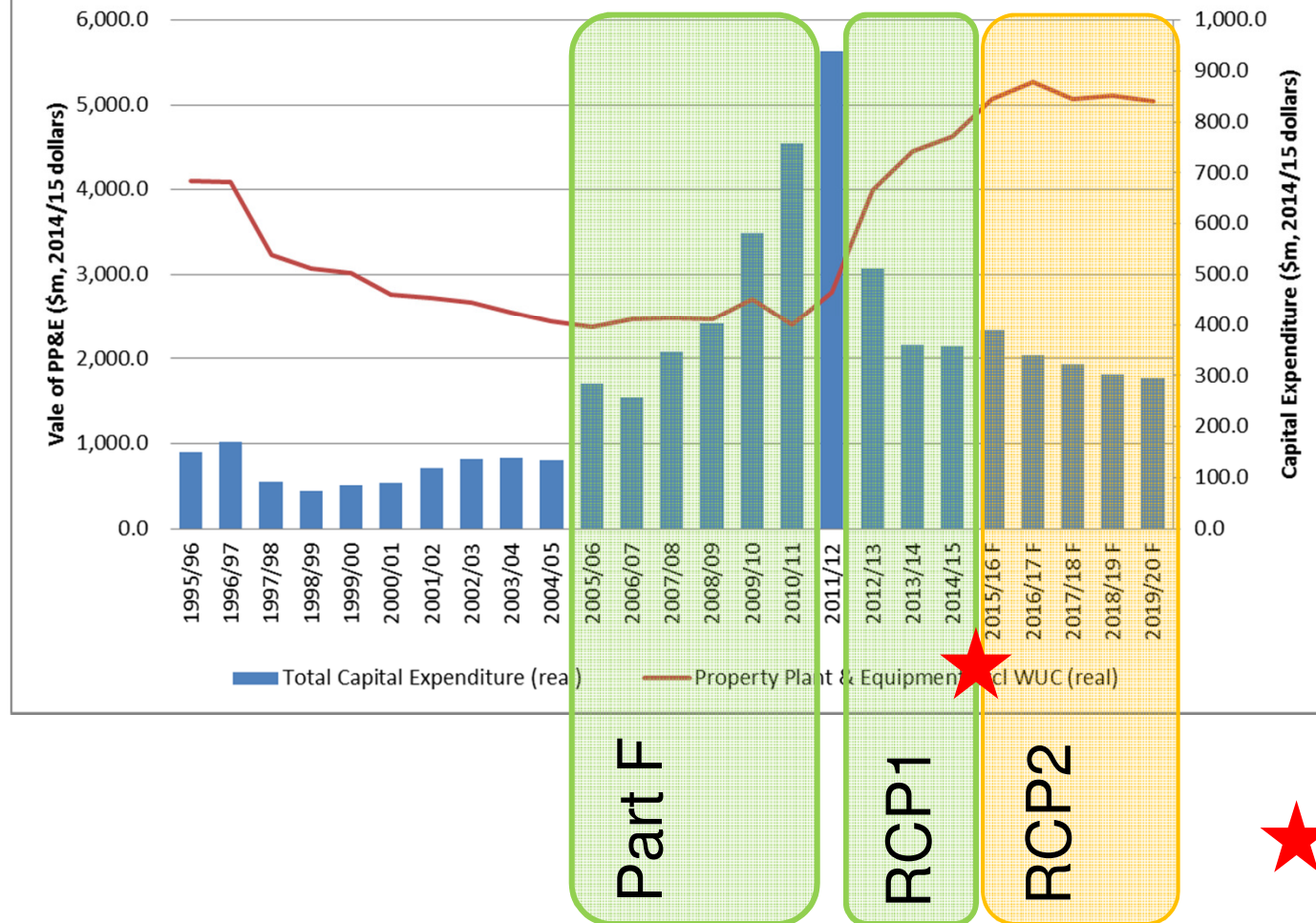
Outline

- History
- Incentives
- Future
- Issues

Transpower Investment History



Transpower Investment History

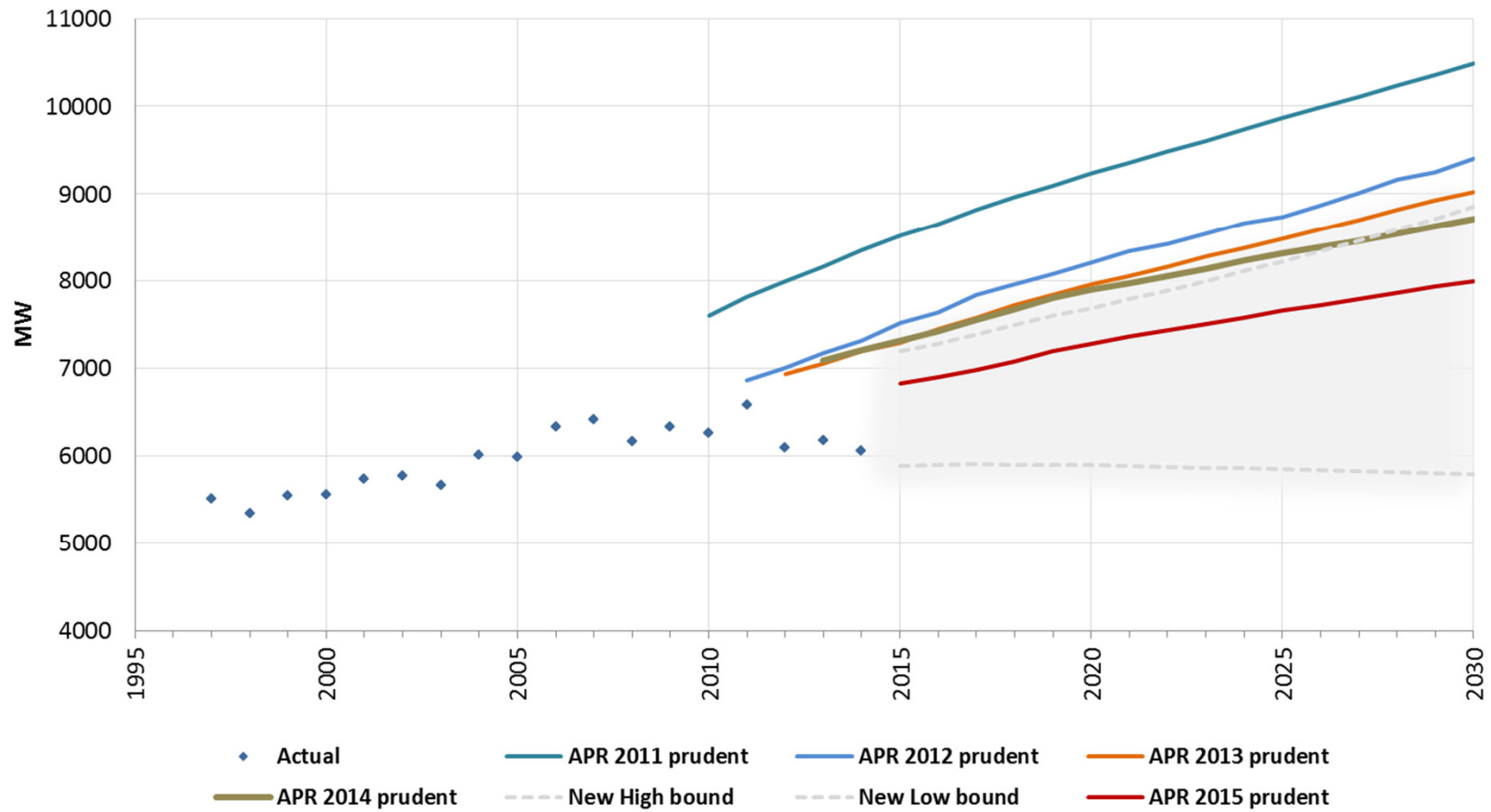


★ Today

Incentives

- repeat game
- service
- expenditure
- balance sheet

New Zealand Prudent Peak - Electricity Demand Forecasts



Scenario	Grid Energy	Grid Peak	Comment
<i>Today</i>	<i>36 TWh</i>	<i>6.2 GW</i>	
A – Growth	Grows to 64 TWh by 2050	Grows to 9.8 GW	Larger grid required to transport a larger volume
B – Difficult Investment	Eases to 32 TWh	Grows to 7.4 GW	Challenge of more grid capacity needed to supply steady volume
C – Easing Demand	Eases to 30 TWh	Eases to 5.5 GW	Volume eases, with corresponding peak demand reduction
D – Change	Declines to 12 TWh	Declines to 3.9 GW	Challenge of decline in volume, but less marked decline in capacity need



Issues

- Transpower:
 - stable settings are important
 - could confirm intention not to destroy value
 - housekeeping
 - quality path
- EDBs:
 - settings that support maintenance and adaptation

EDB adaptation

- tariff structure reform
 - need to remove \$300/MWh price signal
- investment
 - maintain networks & adapt service
- industry structure
 - support partnership & consolidation
- DPP to CPP
 - many to one option?
- services boundary