

21 January 2025

Marcos Pelenur
Chief Executive
Energy Efficiency and Conservation Authority
PO Box 388
WELLINGTON 6140

Sent via email: levyconsultation@eeca.govt.nz

Dear Marcos

EECA energy levies funding proposal for 2025/26

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Energy Efficiency and Conservation Authority's (EECA) consultation paper "*EECA energy levies funding proposal for 2025/26*"¹ published on 20 December 2024.
2. MEUG members have been consulted on the approach to this submission. This submission does not contain any confidential information and can be published on EECA's website unaltered. Members may lodge separate submissions.

Outline of MEUG's comments

3. MEUG, on behalf of our 13 members,² welcomes the opportunity to review EECA's 2025/26 levy funding proposal and the ten levy-related EECA programmes scoped for the coming year. Our members currently use approximately 28% of all New Zealand's electricity and therefore pay a large proportion of the levies gathered for EECA's work programme.
4. We welcome EECA's recognition that "*a modern, affordable and secure energy system is fundamental to building a stronger and more productive economy*"³ and the importance of energy efficiency in supporting improvements in industrial and commercial businesses' productivity. We also endorse the use of electricity efficiency measures to help reduce peak demand and therefore delay or reduce costly investment in electricity infrastructure.⁴ A number of MEUG members are or have worked with EECA in recent years to deploy new technologies to support electrification and energy efficiency improvements.
5. EECA has requested a total of \$23.259 million in funding via levies, with \$6.677 million specifically sought from electricity levy funding. This represents a 14.5% increase in total funding from last year, alongside a 30.9% increase in funding from the electricity levy, with the forecast levies covering over half of the total funding.

¹ <https://www.eeca.govt.nz/assets/EECA-Resources/Levy-consultation/EECA-2025-26-Levy-Funding-Proposal-Consultation-Document.pdf>

² <https://www.meug.co.nz/about-us>

³ Page 7 of consultation paper.

⁴ We encourage EECA to review our [submission](#) to the Electricity Authority, where we recommend that the Authority and the Commerce Commission strongly focus on how we can better encourage EDBs and Transpower to fully optimise the use of the transmission and distribution networks and develop non-traditional solutions, before seeking to build additional infrastructure.

6. While MEUG supports actions around energy efficiency and electrification, in line with our net zero emissions target for 2050, we question whether the scale of the increase in funding is justified. Businesses and consumers are already facing increased costs across numerous areas, including electricity, and having to focus on the basics. New Zealand's economy has recently been hampered by high inflation and low growth and there is a need for fiscal discipline. Many businesses, large and small, struggled to get through last year, and electricity prices are now expected to increase from 1 April 2025, with increases in forecast transmission and distribution charges expected to raise by approximately \$120 annually.⁵
7. MEUG considers that it would be more appropriate to hold levy funding at current 2024/25 levels or seek a more modest increase, in line with CPI.

Next steps

8. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



Karen Boyes
Major Electricity Users' Group

⁵ [Consumer benefit key as ComCom allows increased investment in electricity network](#), 20 November 2024, Commerce Commission.