



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Electricity (Exemptions from Registration) Regulations 2022	Date to be published	17 March 2023

List of documents that have been proactively released

Date	Title	Author
December 2022	Electricity (Exemptions from Registration) Regulations 2022	Office of the Minister of Energy and Resources
15 December 2022	Electricity (Exemptions from Registration) Regulations 2022 LEG-22-MIN-0234 Minute	Cabinet Office

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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Office of the Minister of Energy and Resources
Chair, Cabinet Legislation Committee

Electricity (Exemptions from Registration) Regulations 2022

Proposal

- 1 This paper seeks authorisation for the submission of the Electricity (Exemptions from Registration) Regulations 2022 to the Executive Council.

Policy

- 2 The Electricity Industry Act 2010 requires all electricity participants to register with the Electricity Authority (the Authority), and that the register (including contact details) is publicly available on the Authority's website.
- 3 Owners of small-scale distributed generation, and those that own metering equipment at the property at which they consume electricity, are currently required to register with the Authority. For the vast majority of these participants, registration involves providing personal contact details, which raises privacy concerns.
- 4 The Authority considers that participant registration by owners of small-scale DG and metering equipment is of no benefit to either the Authority or consumers, and is costly to administer. As a conservative estimate, if the requirement to register was enforced for these two classes of participant, the Authority would require at least one full-time employee solely to manage registrations, costing approximately \$120,000 per year.
- 5 The Authority has identified that participant registration could create a barrier to emerging technology uptake. Emerging technologies are expected to play an important role in accelerating renewable electricity generation, increasing electricity system flexibility and resilience, and consumer choice and awareness, enhancing energy efficiency and decreasing consumer energy costs.
- 6 There are currently no other obligations on these participants, and there is no use for personal contact information as there are other ways of contacting these participants if the need ever arises. The Authority made a recommendation to the Minister of Energy and Resources on 16 July 2020 to exempt these classes of participant from obligation to register as an electricity industry participant.
- 7 In October 2021, the Cabinet Economic Development Committee agreed to exempt the following two classes of industry participants from the obligation to register with the Electricity Authority as a participant, unless the owner also has to register as another class of participant [DEV-21-MIN-0201 refers]:
 - 7.1 owners of distributed generation with less than 100 kW of nameplate capacity connected to a distributor's network;

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- 7.2 metering equipment owners that only own metering equipment to measure electricity at the installation connection point (ICP) where they consume electricity
- 8 This exemption is consistent with the Authority’s statutory objective of promoting efficiency for the long-term benefit of the consumer.
- 9 This paper recommends regulations to implement this policy.

Timing and 28-day rule

- 10 The Electricity (Exemptions from Registration) Regulations 2022 will not come into force until at least 28 days after they have been notified in the New Zealand Gazette.

Compliance

- 11 The Amendment Regulations complies with each of the following:
- 11.1 the principles of the Treaty of Waitangi;
 - 11.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 11.3 the principles and guidelines set out in the Privacy Act 2020;
 - 11.4 relevant international standards and obligations;
 - 11.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 12 The proposed regulations are made under section 110 of the Electricity Industry Act 2010 (the Act). Section 110 of the Act provides that the Minister responsible for Part 2 of the Act (the Minister of Energy and Resources) can only recommend regulations exempting a class of electricity industry participant from the obligation to register as an electricity industry participant after receiving a recommendation from the Electricity Authority.
- 13 The Authority made this recommendation to the Minister of Energy and Resources on 16 July 2020.
- 14 The recommendation from the Authority followed consultation through a 23 July 2019 paper titled “Recommending Class Exemptions for Specified Meter Owners and Small-Scale Distributed Generators.” The paper was published on its website and included in a weekly stakeholder update. Consultation for this paper closed on 3 September 2019.
- 15 Six submissions were received, all of which were generally in agreement with the issues and objectives of the proposal, and all but one favoured the recommended solution. The one submission which did not favour the recommended solution was in favour of a broader exemption, which the Authority do not favour due to the risk of unintended consequences.

Regulations Review Committee

- 16 I have not referred a draft of the Regulations to the Regulations Review Committee under Standing Order 326(2).
- 17 I am not aware of any grounds on which the Rule could be drawn to the attention of the House under Standing Order 327(2).

Certification by Parliamentary Counsel

- 18 The draft regulations have been certified by the Parliamentary Counsel as being in order for submission to Cabinet.

Impact Analysis

- 19 A Regulatory Impact Assessment for the Electricity (Exemptions from Registration) Regulations 2022 was prepared in accordance with the necessary requirements and submitted at the time Cabinet policy approval was obtained [DEV-21-SUB-0201].

Publicity

- 20 Once a decision is made on the proposed regulations, and the regulations are made (if agreed), the Authority will communicate the outcome. This will include informing industry via the Authority's weekly Market Brief newsletter, updating the Authority's website to reflect the exemptions, and ensuring forms and other Authority material is consistent with the exemptions.

Proactive release

- 21 This Cabinet paper will be proactively released within 30 business days of decisions being confirmed by Cabinet.

Consultation

- 22 The Treasury, the Energy Efficiency and Conservation Authority and the Electricity Authority have been consulted on this Cabinet paper and the Electricity (Exemptions from Registration) Regulations 2022.
- 23 On 23 July 2019, the Authority released a consultation paper titled "Recommending Class Exemptions for Specified Meter Owners and Small-Scale Distributed Generators". The paper set out detail on the reasons and cost and benefits of implementing the class exemptions. The paper was published on the Authority's website and included in a weekly stakeholder update. Consultation for this paper closed on 3 September 2019 and the views of submitters informed the regulatory impact analysis and policy recommendation.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that in October 2021 the Cabinet Economic Development Committee agreed to exempt two classes of electricity industry participants from the obligation to register

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with the Electricity Authority as a participant, unless the owner also has to register as another class of participant [DEV-21-SUB-0201];

- 1.1 owners of distributed generation with less than 100 kW of nameplate capacity connected to a distributor's network, and
 - 1.2 metering equipment owners that only own metering equipment to measure electricity at the installation connection point (ICP) where they consume electricity;
- 2 **note** that the proposed Electricity (Exemptions from Registration) Regulations 2022 will give effect to the decision referred to in paragraph 1 above;
 - 3 **note** that section 110 of the Electricity Industry Act requires that the Minister of Energy and Resources must receive a recommendation from the Electricity Authority before recommending regulations exempting a class of electricity industry participant from the obligation to register as a participant;
 - 4 **note** that the Electricity Authority made a recommendation to the Minister of Energy and Resources on 16 July 2020 regarding these class exemptions, so the requirement in paragraph 3 has been met;
 - 5 **authorise** the submission to the Executive Council of the Electricity (Exemptions from Registration) Regulations 2022;
 - 6 **note** that the Electricity (Exemptions from Registration) Regulations 2022 will come into force 28 days after the date on which they are made.

Authorised for lodgement

Hon Dr Megan Woods

Minister for Energy and Resources

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