

nzcid welcomes improved government policies for transmission and infrastructure investment

"Changed Government policy statements on electricity transmission, distribution and the regulatory environment managed by the Commerce Commission will encourage investment in infrastructure and importantly build confidence for investing in New Zealand", according to the NZ Council for Infrastructure Development.

"This is a very positive development," says NZCID Chief Executive, Stephen Selwood. "The announcements give much clearer direction to both the Electricity Commission and the Commerce Commission of the importance the government attaches to timely investment in infrastructure."

The changes to the Commerce Act require the Commerce Commission to ensure a stable and predictable regulatory environment which allows regulated businesses sufficient return on capital to enable them to invest in long life infrastructure assets.

"Previously the regulatory emphasis has been on looking for alternatives to investment and keeping prices as low as possible. While these are worthwhile objectives, continually managing prices down in the short term has constrained that investment in infrastructure that is needed for the longer term. The changes to the policies which guide both the Electricity Commission and the Commerce Commission are designed to redress the balance and ensure both agencies take long term infrastructure investment needs into account."

The amendments to the Government Policy Statement on Electricity now:

- > Emphasise the importance of adequate transmission, including its ability to cope with extreme events
- > Better provide for diversity of supply routes, especially for major cities
- > Ensure that the grid facilitates competition in generation and retail, by minimising transmission constraints
- > Ensure that transmission planning supports the government's goal of facilitating renewable energy, and reducing greenhouse gases
- > Emphasise that, to the extent possible, grid upgrade plans should be comprehensive and considered in the context of long term plans
- > Allow Transpower to recover the reasonable costs of acquiring land corridors in advance of approval of the detail of upgrade plans

"These changes will provide for a much more robust transmission grid, resilient to extreme events. "Because investors can now be confident that the transmission network will have the capacity to deliver electricity to the market, the amendments will encourage investment in generation, particularly renewable generation," Selwood says.

notes to editors

further information

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[nz council for infrastructure development](#)

NZCID is an authority at the forefront of infrastructure development issues. Our numerous members stem from sectors across New Zealand, including: equity owners, service providers, public sector agencies, major infrastructure users. Together we share a clear purpose: world class infrastructure for the benefit of all New Zealanders. A goal we are committed to achieving by:

- > Raising awareness of the fact that infrastructure underpins our community's quality of life and that inadequate infrastructure holds back New Zealand's economic and social growth
- > Generating valuable debate on the quality and level of infrastructure provision to meet New Zealanders' needs
- > Encouraging the implementation of best practice infrastructure provision and management
- > Identifying the condition of New Zealand's infrastructure and the challenges facing our infrastructure providers

More information about NZCID can be found at: www.nzcid.org.nz