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IEGA supports collaborative process to progress transmission pricing methodology

Small generators support the call by others for a collaborative process to be followed as the Electricity Authority progresses its review of the transmission pricing methodology.

“We have consistently sought the input of multiple government agencies into this significant decision,” Independent Electricity Generators Association spokesperson Grant Smith says “There is now an opportunity to engage relevant government agencies and the industry in developing a new cost benefit and the implementation details.”

“We expect a collaborative approach would provide transparency about the cost benefit assumptions and result in a more durable outcome” Smith says.

Government agencies could provide guidance on the implications of any transmission pricing methodology on government policy as well as achieving consistency across government on relevant cost benefit assumptions. The technical expertise within the industry, demonstrated in the volume of submissions so far, is a resource for the Authority to tap into.

“In addition, our members support staged implementation. In a single step completely removing a price signal which currently encourages people to consume less electricity at peak times, and our members to generate at peak times, is untested.” Smith says “We are concerned about whether there is sufficient distribution and transmission infrastructure to cope with a marked increase in peak volumes and, most importantly, the implications for electricity consumers.”

Small generators play a key role in competing with transmission to deliver electricity to consumers. Smith says “The IEGA has a valuable contribution to make to a transmission pricing methodology that would deliver benefits to consumers over the long term.”

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