FACT SHEET on EEE REPORT

Introduction

- The Parliamentary Commissioner for the Environment is required by law to make an annual assessment of the Electricity Commission's environmental performance. He also uses his powers to investigate the overall impact of the energy sector on the environment.
- Including this latest report, the PCE has produced seven energy reports since 2000, beginning with *Getting More For Less* (see over the page). Three more are due for release this year.

Background and issues

- The focus on ensuring security of supply continues to place pressure on the environment.
- Large-scale energy projects are increasingly attracting community opposition, e.g. Marsden B, and the 400 kV transmission upgrade in the Waikato.
- Importing more Liquefied Natural Gas to cover shortfalls of domestic natural gas would further expose the country to the volatility of international energy markets.
- If New Zealand decides to rely more on its coal resources, that would be in direct conflict with the need to stabilise carbon emissions.
- It is pleasing to see the Electricity Commission's pilot electricity efficiency programmes successfully underway. However, energy efficiency remains a secondary concern for those with the most influence in the energy sector.

Key recommendations

- Any New Zealand Energy Strategy needs to clearly set out the long-term energy issues facing the country and put forward solutions that take into account future generations. The strategy should address how the electricity sector can reduce its carbon dioxide (CO_2) emissions.
- To boost energy efficiency, the Electricity Commission should encourage the uptake of smart meters. These meters can help reduce electricity consumption at peak periods.
- The Commission could do more to ensure that advocates of demand-side solutions in the electricity sector are represented on its advisory groups. It should also provide technical assistance to those on the advisory groups who represent smaller consumers.
- The Commission should regularly evaluate how well its measures to promote the uptake of distributed generation are working. It should also make sure that transmission and distribution companies have incentives to reduce energy losses from their networks.
- The overlapping roles and responsibilities of the Ministry of Economic Development (MED), the Electricity Commission, the Energy Efficiency and Conservation Agency (EECA), and the Ministry for the Environment (MFE) need to be clarified.
- Environmental reporting by the major electricity generating companies needs to improve.

(A portfolio of reports – see over)

ELECTRICITY, ENERGY and the ENVIRONMENT – A PORTOLIO OF REPORTS

- **The first energy report** from the PCE was *Getting More From Less: A review of progress on energy efficiency and renewable energy initiatives in New Zealand*, released in February 2000. It reviewed progress on energy efficiency and its contribution to a sustainable New Zealand.

- **The first electricity report**, *Electricity, Energy and the Environment: Making the Connections* (2003), reviewed the development of New Zealand's electricity sector and its environmental effects. It also discussed how environmental sustainability applies to electricity production and use.

- **The second electricity report***, Electricity, Energy and the Environment: Assessment Framework 2004,* sets out the environmental priorities used to undertake the assessments, and a set of provisional performance measures. In developing the framework, the Commissioner decided to assess important environmental issues in the electricity sector that were not directly related to the Electricity Commission's activities.

- **The first assessment report,** *Electricity, energy and the environment: Environmental performance assessment 1 March - 30 June 2004*, was released in 2005*.* This was the first PCE assessment and covered a period of only three months.

- **A complementary report**, *Future currents: Electricity scenarios for New Zealand 2005-2050,* was also released in 2005. This discussed how a very different New Zealand lies ahead depending on how we tackle today's energy challenges. Underpinned by rigorous analysis and research, it provided a creative look at our energy future.

- **The report attached***, Electricity, energy and the environment: Environmental performance assessment 1 July - 30 June 2005,* is the first full-year assessment of the environmental performance of the Electricity Commission and the wider electricity sector.

- **Three reports will be released** within the next two months:
  - the first looks at **wind power**, its impacts on landscapes and communities, and how these impacts could be managed.
  - the second at energy's impact on **health**, based upon the scenarios developed in *Future currents* (above).
  - the third looks at the potential of, and the barriers facing, **microgeneration** technologies in New Zealand.

Parliamentary Commissioner for the Environment, 24 July 2006
www.pce.govt.nz
(see PCE website: Reports by Subject: Energy and Climate; and Current Projects)