

# *Vote Energy*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Climate Change Issues (M12), Minister for Economic Development (M25), Minister of Energy and Resources (M28)

ADMINISTERING DEPARTMENT: Ministry of Economic Development

MINISTER RESPONSIBLE FOR MINISTRY OF ECONOMIC DEVELOPMENT: Minister for Economic Development

# Details of Appropriations

## Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Administration of Gas, Electricity and Energy Efficiency Regulations and related Acts (M28)</b> This appropriation is limited to the purchase of advice on administration and associated policy work, Ministerial servicing and decision support for the Minister in relation to, and the administration of the regimes for: gas and electricity safety; energy efficiency and conservation; the supply, quality and measurement of gas and electricity; fuel quality monitoring; and information disclosure.	5,609	221	5,830
<b>Emissions Trading Implementation (M12)</b> This appropriation is limited to the implementation and administration of the New Zealand Emissions Trading Scheme.	4,984	1,400	6,384
<b>Energy and Resource Information Services (M28)</b> Provision of information and technical advice on energy and resources, the management of the response to any international disruption in oil supplies, and the management of New Zealand's energy-related international relations.	1,328	188	1,516
<b>Energy and Resource Information Services RDA (M28)</b> Provision of information and technical advice on energy and resources, the management of the response to any international disruption in oil supplies, and the management of New Zealand's energy-related international relations.	1,227	525	1,752
<b>Management of the Crown Mineral Estate (M28)</b> Allocation and management of Crown-owned petroleum, coal and mineral resources under the Crown Minerals Act 1991 and minerals programmes issued under the Act.	8,114	1,096	9,210
<b>Policy Advice on Energy and Resource Issues (M28)</b> This appropriation is limited to the purchase of policy advice, ministerial servicing, and decision support for the Minister in relation to the operation of energy and resource markets (electricity, oil, gas, geothermal, coal, minerals and related natural resources) and energy efficiency and conservation issues, including Treaty of Waitangi issues in relation to natural resources in particular mineral and energy resources. It also includes purchase of ownership and purchase advice on Crown entities.	6,443	665	7,108
<b>Provision of Climate Change Unit Register and Information (M28)</b> This appropriation is limited to services relating to the operation of a register to enable the allocation and trading of climate change units under the Climate Change Response Act 2002.	1,456	5	1,461
<b>Total Departmental Output Expenses</b>	29,161	4,100	33,261
<b>Non-Departmental Output Expenses</b>			
<b>Acquisition of Petroleum Exploration Data - Extension (M28)</b> To fund the acquisition of seismic data in New Zealand's offshore petroleum basins.	-	5,724	5,724
<b>Control of Natural Gas Services (M28)</b> For development of input methodologies under Part 4 of the Commerce Act 1986 and the costs of administering the Commerce Act 1986 Part 5 control regime over the gas pipeline services of Powerco and Vector.	503	1,684	2,187

	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Electricity Governance and Market Operations (M28)</b>	49,043	-	49,043
Funds the Electricity Commission's major functions as the regulator for the electricity system. It also covers core electricity system and market operation functions, carried out under service provider contracts.			
<b>Energy Efficiency and Conservation MCOA (M28)</b>	38,235	(160)	38,075
<i>Electricity Efficiency</i>	18,401	(5,000)	13,401
This output class is limited to:			
- conducting electricity efficiency research, and			
- development and administration of programmes that provide incentives for cost-effective energy efficiency and conservation, aimed at changing market behaviours.			
<i>Energy Efficiency and Conservation</i>	19,834	4,840	24,674
This output class is limited to operational and policy outputs in accordance with statutory functions under the Energy Efficiency and Conservation Act 2000 and the government's energy strategies.			
<b>Enforcement of Electricity Sector Regulation (M28)</b>	7,117	(1,101)	6,016
For the provision of development of input methodologies under Part 4 and 4A of the Commerce Act 1986, the review of asset valuation methodologies, collecting and disclosing information, assessing performance against thresholds and implementing price controls as necessary in relation to electricity lines businesses and Transpower.			
<b>Maintenance and Operation of Whirinaki (M28)</b>	16,000	50,950	66,950
Largely fixed operating and maintenance costs for Whirinaki power station including the Contact Operating and Maintenance contract, depreciation on the plant and obligations arising under the Reserve Generation Capacity Agreement.			
<b>Management of IEA Oil Stocks (M28)</b>	10,000	(4,300)	5,700
For the cost of managing and funding of oil stocks to meet International Energy Agency obligations.			
<b>Reserve Energy and Emergency Measures-Availability Costs (M28)</b>	29,981	-	29,981
Funds the cost of having reserve electricity capacity and capability available, including:			
1. tendering for reserve energy and emergency options; and			
2. ensuring availability of reserve energy capacity.			
Does not include cost of supply of reserve energy (fuel) or implementation of emergency measures.			
<b>Total Non-Departmental Output Expenses</b>	150,879	52,797	203,676
<b>Non-Departmental Other Expenses</b>			
<b>Electricity Commission Litigation Fund (M28)</b>	444	-	444
Funding to ensure that the Electricity Commission is able to participate in litigation effectively and without delay.			
<b>Energy Efficiency and Renewable Energy Grants and Assistance (M28)</b>	19,300	10,912	30,212
This appropriation is limited to the Crown's contribution to fund improvements to the energy efficiency of New Zealand businesses and homes (with a particular focus on the homes of low income earners); and to develop the solar hot water industry.			
<b>International Energy Agency Contribution (M28)</b>	50	-	50
Payment of contributions towards the cost of energy-related research undertaken by the International Energy Agency.			
<b>International Energy Agency Subscription (M28)</b>	150	-	150
Payment of annual subscription for membership of the International Energy Agency.			

Titles and Scopes of Appropriations by Appropriation Type	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Non-Departmental Other Expenses - cont'd</b>			
<b>Ministry of Energy Residual Liabilities (M28)</b> Payment of residual liabilities of the former Ministry of Energy and to meet urgent mine restoration and rehabilitation relating to the operations of the state coal mines prior to 1987.	199	-	199
<b>Total Non-Departmental Other Expenses</b>	20,143	10,912	31,055
<b>Non-Departmental Capital Expenditure</b>			
<b>Crown Energy Efficiency (M28)</b> This capital expenditure appropriation is limited to provision of funding for the Crown loans scheme to assist public sector agencies in implementing energy efficiency projects.	2,000	-	2,000
<b>Development of Reserve Electricity Generation Capacity (M28)</b> To provide funding for the purchase of a reserve electricity generation plant.	-	200	200
<b>Total Non-Departmental Capital Expenditure</b>	2,000	200	2,200
<b>Total Annual and Permanent Appropriations</b>	202,183	68,009	270,192

## Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Output Expenses</b>		
<b>Generating Reserve Electricity At Whirinaki (M28)</b>	Original Appropriation	49,045
To cover Whirinaki Reserve Energy Plant security of supply costs, excluding those covered by the annual appropriation entitled Maintenance and Operation of Whirinaki. Predominantly expected to cover purchase of fuel against the event that the plant is required to generate reserve electricity.	Adjustments to 2007/08	9,956
	Adjustments for 2008/09	85,000
	Adjusted Appropriation	144,001
Commences: 1 July 2007	Actual to 2007/08 Year End	30,269
Expires: 30 June 2012	Estimated Actual for 2008/09	500
	Estimated Actual for 2009/10	9,607
	Estimated Appropriation Remaining	103,625
<b>Reserve Energy and Emergency Measures - Variable (M28)</b>	Original Appropriation	5,000
To cover Electricity Commission costs relating to the 1) net variable operating costs of the Whirinaki Reserve Energy Plant when used to provide reserve energy, and 2) implementation of emergency measures.	Adjustments to 2007/08	1,000
	Adjustments for 2008/09	80,000
	Adjusted Appropriation	86,000
Commences: 1 July 2007	Actual to 2007/08 Year End	(3,448)
Expires: 30 June 2012	Estimated Actual for 2008/09	3,948
	Estimated Actual for 2009/10	1,000
	Estimated Appropriation Remaining	84,500
<b>Non-Departmental Other Expenses</b>		
<b>Contestable Fund for Deployment of Marine Energy Devices (M25)</b>	Original Appropriation	8,000
Contestable fund for marine energy generation and associated administration costs.	Adjustments to 2007/08	(495)
	Adjustments for 2008/09	-
	Adjusted Appropriation	7,505
Commences: 1 July 2007	Actual to 2007/08 Year End	-
Expires: 30 June 2011	Estimated Actual for 2008/09	3,735
	Estimated Actual for 2009/10	1,885
	Estimated Appropriation Remaining	1,885