

# *Vote Energy*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Climate Change Issues (M12),  
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	2011/12		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<i>Administration of Gas, Electricity and Energy Efficiency Regulations and related Acts (M28)</i> 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; and fuel quality monitoring.	5,680	(550)	5,130
<i>Emissions Trading Implementation (M12)</i> This appropriation is limited to the implementation and administration of the New Zealand Emissions Trading Scheme.	4,847	(3,213)	1,634
<i>Energy and Resource Information Services (M28)</i> 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.	1,106	3,227	4,333
<i>Energy and Resource Information Services RDA (M28)</i> 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.	1,827	-	1,827
<i>Management of the Crown Mineral Estate (M28)</i> Allocation and management of Crown-owned petroleum, coal and mineral resources under the Crown Minerals Act 1991 and minerals programmes issued under the Act.	14,871	237	15,108
<i>Policy Advice on Energy and Resource Issues (M28)</i> 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.	6,619	-	6,619
<i>Provision of Climate Change Unit Register and Information (M12)</i> 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.	1,559	(1,035)	524
<b>Total Departmental Output Expenses</b>	36,509	(1,334)	35,175
<b>Non-Departmental Output Expenses</b>			
<i>Electricity Industry Governance and Market Operations (M28)</i> This appropriation is limited to formulating, monitoring and enforcing compliance with the regulations and rules governing the electricity industry and other outputs in accordance with the statutory functions under the Electricity Industry Act; and delivery of core electricity system and market operation functions, carried out under service provider contracts.	62,535	-	62,535

	2011/12		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b><i>Energy Efficiency and Conservation MCOA (M28)</i></b>	42,943	(4,697)	38,246
<i>Electricity Efficiency</i>	17,519	(4,519)	13,000
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>	25,424	(178)	25,246
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><i>Maintenance and Operation of Whirinaki (M28)</i></b>	2,000	600	2,600
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><i>Management of IEA Oil Stocks (M28)</i></b>	3,000	-	3,000
For the cost of managing and funding of oil stocks to meet International Energy Agency obligations.			
<b><i>Reserve Energy and Emergency Measures-Availability Costs (M28)</i></b>	6,245	4,425	10,670
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>	116,723	328	117,051
<b>Non-Departmental Other Expenses</b>			
<b><i>Air Quality Grants and Assistance (M28)</i></b>	-	1,100	1,100
This appropriation is limited to assistance for the decommissioning of high-emission heating options to improve air quality in polluted airsheds.			
<b><i>Biodiesel Grants (M28)</i></b>	9,000	(8,200)	800
This appropriation is limited to the provision of grants to New Zealand biodiesel producers.			
<b><i>Crown Contribution to Pike River Recovery and Related Matters (M28)</i></b>	-	5,000	5,000
This appropriation is limited to providing a Crown contribution towards the potential recovery of bodies in the Pike River Coal Mine and related matters.			
<b><i>Electricity Litigation Fund (M28)</i></b>	444	-	444
This appropriation is limited to ensuring that the regulatory body for the electricity industry is able to participate in litigation effectively and without delay.			
<b><i>Energy Efficiency and Renewable Energy Grants and Assistance (M28)</i></b>	1,038	912	1,950
This appropriation is limited to the Crown's contribution to fund improvements to the energy efficiency of New Zealand businesses and homes and increased use of renewable energy.			
<b><i>International Energy Agency Contribution (M28)</i></b>	150	-	150
Payment of contributions towards the cost of energy-related research undertaken by the International Energy Agency.			
<b><i>International Energy Agency Subscription (M28)</i></b>	170	-	170
Payment of annual subscription for membership of the International Energy Agency.			

Titles and Scopes of Appropriations by Appropriation Type	2011/12		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Non-Departmental Other Expenses - cont'd</b>			
<i>Ministry of Energy Residual Liabilities (M28)</i>	199	-	199
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.			
<b>Total Non-Departmental Other Expenses</b>	11,001	(1,188)	9,813
<b>Non-Departmental Capital Expenditure</b>			
<i>Crown Energy Efficiency (M28)</i>	2,000	-	2,000
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.			
<b>Total Non-Departmental Capital Expenditure</b>	2,000	-	2,000
<b>Total Annual and Permanent Appropriations</b>	166,233	(2,194)	164,039

## Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Output Expenses</b>		
<p><b><i>Acquisition of Petroleum Exploration Data (M28)</i></b></p> <p>This appropriation is limited to the acquisition of seismic information relating to New Zealand's offshore petroleum basins.</p> <p>Commences: 1 July 2009</p> <p>Expires: 30 June 2014</p>	<p>Original Appropriation</p> <p>Adjustments to 2010/11</p> <p>Adjustments for 2011/12</p> <p>Adjusted Appropriation</p> <p>Actual to 2010/11 Year End</p> <p>Estimated Actual for 2011/12</p> <p>Estimated Actual for 2012/13</p> <p>Estimated Appropriation Remaining</p>	<p>20,000</p> <p>-</p> <p>-</p> <p>20,000</p> <p>14,124</p> <p>3,876</p> <p>-</p> <p>2,000</p>
<p><b><i>Generating Reserve Electricity At Whirinaki (M28)</i></b></p> <p>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.</p> <p>Commences: 1 July 2007</p> <p>Expires: 30 June 2012</p>	<p>Original Appropriation</p> <p>Adjustments to 2010/11</p> <p>Adjustments for 2011/12</p> <p>Adjusted Appropriation</p> <p>Actual to 2010/11 Year End</p> <p>Estimated Actual for 2011/12</p> <p>Estimated Actual for 2012/13</p> <p>Estimated Appropriation Remaining</p>	<p>49,045</p> <p>94,956</p> <p>-</p> <p>144,001</p> <p>33,768</p> <p>5,340</p> <p>-</p> <p>104,893</p>
<p><b><i>Reserve Energy and Emergency Measures - Variable (M28)</i></b></p> <p>To cover Electricity Commission costs relating to the:</p> <p>1. Net variable operating costs of the Whirinaki Reserve Energy Plant when used to provide reserve energy, and</p> <p>2. Implementation of emergency measures.</p> <p>Commences: 1 July 2007</p> <p>Expires: 30 June 2012</p>	<p>Original Appropriation</p> <p>Adjustments to 2010/11</p> <p>Adjustments for 2011/12</p> <p>Adjusted Appropriation</p> <p>Actual to 2010/11 Year End</p> <p>Estimated Actual for 2011/12</p> <p>Estimated Actual for 2012/13</p> <p>Estimated Appropriation Remaining</p>	<p>5,000</p> <p>(4,750)</p> <p>(43)</p> <p>207</p> <p>(2,358)</p> <p>-</p> <p>-</p> <p>2,565</p>
<p><b><i>Reserve Energy and Emergency Measures - Variable Costs (M28)</i></b></p> <p>This appropriation is limited to net variable operating costs of the Whirinaki Reserve Energy Plant when used to provide reserve energy; and implementation of emergency measures.</p> <p>Commences: 1 November 2010</p> <p>Expires: 30 June 2012</p>	<p>Original Appropriation</p> <p>Adjustments to 2010/11</p> <p>Adjustments for 2011/12</p> <p>Adjusted Appropriation</p> <p>Actual to 2010/11 Year End</p> <p>Estimated Actual for 2011/12</p> <p>Estimated Actual for 2012/13</p> <p>Estimated Appropriation Remaining</p>	<p>4,867</p> <p>-</p> <p>-</p> <p>4,867</p> <p>205</p> <p>-</p> <p>-</p> <p>4,662</p>

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b><i>Contestable Fund for Deployment of Marine Energy Devices (M28)</i></b>	Original Appropriation	4,949
This appropriation is limited to a contestable fund for marine energy generation and associated administration.	Adjustments to 2010/11	-
	Adjustments for 2011/12	(1,852)
Commences: 1 July 2011	Adjusted Appropriation	3,097
Expires: 30 June 2016	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	1,143
	Estimated Actual for 2012/13	780
	Estimated Appropriation Remaining	1,174
<b><i>Promoting and Facilitating Customer Switching (M28)</i></b>	Original Appropriation	10,500
This appropriation is limited to facilitating, and promoting increased switching of electricity suppliers to consumers.	Adjustments to 2010/11	-
	Adjustments for 2011/12	-
Commences: 1 November 2010	Adjusted Appropriation	10,500
Expires: 30 April 2014	Actual to 2010/11 Year End	1,499
	Estimated Actual for 2011/12	3,501
	Estimated Actual for 2012/13	3,500
	Estimated Appropriation Remaining	2,000
<b><i>Ratana Housing Repairs (M28)</i></b>	Original Appropriation	2,060
This appropriation is limited to the repair of housing at Ratana to a standard which improves the overall safety and energy efficiency of the house and enables the installation of clean-heating devices and insulation.	Adjustments to 2010/11	-
	Adjustments for 2011/12	-
Commences: 6 December 2010	Adjusted Appropriation	2,060
Expires: 30 June 2013	Actual to 2010/11 Year End	-
	Estimated Actual for 2011/12	350
	Estimated Actual for 2012/13	1,710
	Estimated Appropriation Remaining	-
<b><i>Warm Up New Zealand (M28)</i></b>	Original Appropriation	244,950
This appropriation is limited to grants towards insulation and clean heating devices to make New Zealand homes healthier and more energy efficient.	Adjustments to 2010/11	32,118
	Adjustments for 2011/12	(2,000)
Commences: 1 January 2010	Adjusted Appropriation	275,068
Expires: 30 June 2014	Actual to 2010/11 Year End	99,695
	Estimated Actual for 2011/12	72,534
	Estimated Actual for 2012/13	71,476
	Estimated Appropriation Remaining	31,363