

Vote Energy

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Energy and Resources (M28)

ADMINISTERING DEPARTMENT: Ministry of Business, Innovation and Employment

MINISTER RESPONSIBLE FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Overview of the Vote

The Minister of Energy and Resources is responsible for appropriations in the Vote for the 2013/14 financial year covering the following:

Departmental appropriations consisting of:

- a total of under \$7 million for policy advice on the operation and information disclosure of energy resource markets, services to support the Minister, and monitoring the performance and compliance of Crown entities
- a total of over \$18 million for the management of the Crown mineral estate
- a total of under \$6 million for the administration of the gas, and electrical safety regime, which is an industry levy funded activity, and
- a total of just over \$3 million for the 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.

Non-departmental appropriations consisting of:

- a total of just over \$68 million for the Electricity Authority's work in regulating the electricity system, this is an industry levy funded activity
- a total of under \$77 million for the Energy Efficiency and Conservation Authority's work in promoting energy efficiency which includes providing grants and assistance of a forecast \$33 million for the Home Insulation programme and \$11 million for the Warm Up New Zealand: Heat Smart programme in 2013/14
- a total of just over \$5 million to manage and fund New Zealand's oil stocks obligations with the International Energy Agency
- a total of \$3 million for the Crown's contribution to Pike River related matters
- a total of \$2 million in the final year of a four year multi-year appropriation for facilitating and promoting increased switching between suppliers by electricity consumers
- a total of \$2 million for the acquisition of petroleum data
- a total of under \$2 million for the management of emergency events by the electricity System Operator, including increased monitoring and management responsibilities in the event of an emerging security situation, and planning and running an emergency conservation campaign
- a total of \$519,000 for international membership fees, and to meet Ministry of Energy residual liabilities in regards to urgent mine restoration and rehabilitation relating to the operations of the state coal mines prior to 1987, and
- a total of \$558,000 for the contestable fund for deployment of marine energy devices.

Capital expenditure consists of:

- a total of \$2 million in non-departmental capital in Crown Energy Efficiency.

The Ministry expects to collect just over \$472 million of Tax and Non-Tax revenue in 2013/14:

- a total of over \$351 million from petroleum royalties
- a total of under \$86 million in levies from the Electricity Industry, and
- a total of just under \$36 million from coal and gas energy resource levies.

Details of these appropriations are set out in Parts 2-6 for Vote Energy in the *Information Supporting the Estimates of Appropriations*.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
<i>Administration of Gas, Electricity and Energy Efficiency Regulations and Related Acts (M28)</i>	5,327	5,327	5,680
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.			
<i>Energy and Resource Information Services (M28)</i>	2,061	2,061	1,267
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.			
<i>Energy and Resource Information Services RDA (M28)</i>	1,727	1,727	1,827
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.			
<i>Energy and Resources Operational Policy, Ministerial Servicing and Crown Entity Monitoring (M28)</i>	1,517	1,517	1,492
This appropriation is limited to the development of operational policies in relation to the operation of energy and resource markets (electricity, oil, gas, geothermal, coal, minerals and natural related resources) and energy efficiency and conservation issues, services to support the Minister, and monitoring the performance and compliance of Crown Entities.			
<i>Management of the Crown Mineral Estate (M28)</i>	15,697	15,379	18,103
Allocation and management of Crown-owned petroleum, coal and mineral resources under the Crown Minerals Act 1991 and minerals programmes issued under the Act.			
<i>Policy Advice - Energy and Resource Issues (M28)</i>	5,028	5,028	5,215
This appropriation is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters.			
Total Departmental Output Expenses	31,357	31,039	33,584
Non-Departmental Output Expenses			
<i>Electricity Industry Governance and Market Operations (M28)</i>	63,906	63,906	68,145
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.			
<i>Energy Efficiency and Conservation MCOA (M28)</i>	37,344	37,344	30,904
<i>Electricity Efficiency</i>	13,000	13,000	13,000
This output class is limited to: <ul style="list-style-type: none"> 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>	24,344	24,344	17,904
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.			

Titles and Scopes of Appropriations by Appropriation Type	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Implementation of the Home Insulation Programme (M28) This appropriation is limited to the implementation of the Home Insulation programme.	-	-	2,000
Management of IEA Oil Stocks (M28) For the cost of managing and funding of oil stocks to meet International Energy Agency obligations.	5,522	5,522	5,185
Maintenance and Operation of Whirinaki (M28) 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.	200	200	-
Total Non-Departmental Output Expenses	106,972	106,972	106,234
Non-Departmental Other Expenses			
Crown Contribution to Pike River Recovery and Related Matters (M28) This appropriation is limited to providing a Crown contribution towards the potential recovery of bodies in the Pike River Coal Mine and related matters.	2,000	2,000	3,000
Electricity Litigation Fund (M28) This appropriation is limited to ensuring that the regulatory body for the electricity industry is able to participate in litigation effectively and without delay.	444	444	444
Energy Efficiency and Renewable Energy Grants and Assistance (M28) 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.	680	680	680
International Energy Agency Contribution (M28) Payment of contributions towards the cost of energy-related research undertaken by the International Energy Agency.	150	150	150
International Energy Agency Subscription (M28) Payment of annual subscription for membership of the International Energy Agency.	170	170	170
Ministry of Energy Residual Liabilities (M28) 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	199
Air Quality Grants and Assistance (M28) This appropriation is limited to assistance for the decommissioning of high-emission heating options to improve air quality in polluted airsheds.	1,100	1,100	-
Total Non-Departmental Other Expenses	4,743	4,743	4,643
Non-Departmental Capital Expenditure			
Crown Energy Efficiency (M28) 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	2,000
Total Non-Departmental Capital Expenditure	2,000	2,000	2,000
Total Annual and Permanent Appropriations	145,072	144,754	146,461

Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Output Expenses		
<i>Acquisition of Petroleum Exploration Data (M28)</i>	Original Appropriation	20,000
This appropriation is limited to the acquisition of seismic information relating to New Zealand's offshore petroleum basins.	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
Commences: 1 July 2009	Adjusted Appropriation	20,000
Expires: 30 June 2014	Actual to 2011/12 Year End	15,557
	Estimated Actual for 2012/13	2,443
	Estimated Actual for 2013/14	2,000
	Estimated Appropriation Remaining	-
<i>Security Management (M28)</i>	Original Appropriation	6,000
This appropriation is limited to the management of emergency events by the System Operator, if required, including increased monitoring and management responsibilities in the event of an emerging security situation, and planning and running an emergency conservation campaign.	Adjustments to 2011/12	(1,200)
	Adjustments for 2012/13	1,200
Commences: 1 July 2012	Adjusted Appropriation	6,000
Expires: 30 June 2017	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	1,200
	Estimated Actual for 2013/14	1,200
	Estimated Appropriation Remaining	3,600
Non-Departmental Other Expenses		
<i>Contestable Fund for Deployment of Marine Energy Devices (M28)</i>	Original Appropriation	4,949
This appropriation is limited to a contestable fund for marine energy generation and associated administration.	Adjustments to 2011/12	(1,852)
	Adjustments for 2012/13	(1,000)
Commences: 1 July 2011	Adjusted Appropriation	2,097
Expires: 30 June 2016	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	225
	Estimated Actual for 2013/14	558
	Estimated Appropriation Remaining	1,314
<i>Home Insulation (M28)</i>	Original Appropriation	93,000
This appropriation is limited to grants towards insulation targeting low income households.	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
Commences: 1 July 2013	Adjusted Appropriation	93,000
Expires: 30 June 2016	Actual to 2011/12 Year End	-
	Estimated Actual for 2012/13	-
	Estimated Actual for 2013/14	33,000
	Estimated Appropriation Remaining	60,000

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<p><i>Promoting and Facilitating Customer Switching (M28)</i></p> <p>This appropriation is limited to facilitating, and promoting increased switching of electricity suppliers to consumers.</p> <p>Commences: 1 November 2010</p> <p>Expires: 30 April 2014</p>	Original Appropriation	10,500
	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
	Adjusted Appropriation	10,500
	Actual to 2011/12 Year End	4,902
	Estimated Actual for 2012/13	3,598
	Estimated Actual for 2013/14	2,000
	Estimated Appropriation Remaining	-
<p><i>Ratana Housing Repairs (M28)</i></p> <p>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.</p> <p>Commences: 6 December 2010</p> <p>Expires: 30 June 2013</p>	Original Appropriation	2,060
	Adjustments to 2011/12	-
	Adjustments for 2012/13	-
	Adjusted Appropriation	2,060
	Actual to 2011/12 Year End	64
	Estimated Actual for 2012/13	1,996
	Estimated Actual for 2013/14	-
	Estimated Appropriation Remaining	-
<p><i>Warm Up New Zealand (M28)</i></p> <p>This appropriation is limited to grants towards insulation and clean heating devices to make New Zealand homes healthier and more energy efficient.</p> <p>Commences: 1 January 2010</p> <p>Expires: 30 June 2014</p>	Original Appropriation	244,950
	Adjustments to 2011/12	30,118
	Adjustments for 2012/13	-
	Adjusted Appropriation	275,068
	Actual to 2011/12 Year End	183,300
	Estimated Actual for 2012/13	80,768
	Estimated Actual for 2013/14	11,000
	Estimated Appropriation Remaining	-