

New Zealand Government May Consider Major Reforms

The New Zealand Government is reportedly considering major reforms to its energy sector, including breaking up the big generator-retailers into wholesale and retail businesses. Energy Minister David Parker says the Government is considering the move following concerns raised by the International Energy Agency regarding the small number of players in the New Zealand market and the potential for market manipulation. Deputy Prime Minister Michael Cullen has said publicly he has doubts about the ability of the electricity sector to deliver the certainty and renewable energy New Zealand needs. The five generator-retailers, three of which are state-owned, are under investigation by the Commerce Commission. It is probing whether the companies have market power and whether they have taken advantage of this in setting electricity prices, which have risen more than 40 per cent in the past five years. IEA Director Claude Mandil says the Government needs to make the Electricity Commission completely independent, as the Government could influence the commission in several ways and remove commissioners.

[Source esaa news]