



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021	Date to be published	3 December 2021

List of documents that have been proactively released

Date	Title	Author
November 2021	Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021	Office of the Minister of Energy and Resources
25 November 2021	Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021 LEG-21-MIN-0195	Cabinet Office

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet Legislation Committee

Minute of Decision

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Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021

Portfolio **Energy and Resources**

On 25 November 2021, the Cabinet Legislation Committee:

- 1 **noted** that in September 2021, the Cabinet Business Committee (CBC) agreed that:
 - 1.1 the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004 (the LFC regulations) should be phased out through a five-year transition under the following configuration:
 - 1.1.1 in the first year, from 1 April 2022, the maximum charge of \$0.30/day for the fixed component of LFC tariffs will be raised by \$0.30, to \$0.60/day;
 - 1.1.2 in the second year, from 1 April 2023, the maximum charge of \$0.60/day for the fixed component of LFC tariffs will be raised by \$0.30, to \$0.90/day;
 - 1.1.3 in the third year, from 1 April 2024, the maximum charge of \$0.90/day for the fixed component of LFC tariffs will be raised by \$0.30, to \$1.20/day;
 - 1.1.4 in the fourth year, from 1 April 2025, the maximum charge of \$1.20/day for the fixed component of LFC tariffs will be raised by \$0.30, to \$1.50/day;
 - 1.1.5 in the fifth year, from 1 April 2026, the maximum charge of \$1.50/day for the fixed component of LFC tariffs will be raised by \$0.30, to \$1.80/day; and
 - 1.1.6 at the end of the phase-out, from 1 April 2027, the LFC regulations will be revoked, allowing for a market-determined adjustment of fixed charges;
 - 1.2 during the phase out period the existing split between the maximum fixed charge for distributors and retailers will be retained, so that the maximum fixed charge for distributors remains at 50 per cent of the maximum fixed charge for retailers;
- [CBC-21-MIN-0083]
- 2 **noted** that the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021 give effect to the above decisions;

- 3 **noted** that the Minister of Energy and Resources authorised some minor and technical issues arose during consultation with the regulated parties as well as in the drafting process;
- 4 **authorised** the submission to the Executive Council of the Electricity (Low Fixed Charge Tariff Options for Domestic Consumers) Amendment Regulations 2021 [PCO 24174/4.0];
- 5 **noted** that the Amendment Regulations come into force 28 days after their notification in the Gazette.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon David Parker
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon Kiri Allan
Hon Dr David Clark
Keiran McAnulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG