



National Road Carriers Association (NRC) submission on

The Future Operation of New Zealand's Power System



About National Road Carriers Association

National Road Carriers Association (NRC) is New Zealand's progressive nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on road transport infrastructure and regulations.

NRC members are committed to providing an efficient, productive, resilient, safe and value for money service that supports the wider economy. To achieve this, trucking operators need a safe, efficient, and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services.

Some 54% of NRC's membership comprises single vehicle operators and 89% employ 10 or fewer.

General Comments

National Road Carriers Association believes that as our sector decarbonises the transformation of New Zealand's power system will have significant implications for the freight industry, particularly concerning operational costs, opportunities for energy market participation, and the need for increased resilience and adaptability to new technologies and regulatory environments.

We would encourage the Electricity Authority to increase the resilience of the electricity supply especially to parts of the network reliant on a single source of electricity.

Impact on Operational Costs of Transport Sector

The shift towards renewable energy and the potential for more dynamic pricing structures will impact the operational costs for freight companies. This includes the cost of energy for electric vehicles and the infrastructure required for their operation. Our members are already reporting concerns regarding the availability of existing network infrastructure to cope with the need to charge electric trucks.

The shift to renewable energy sources and the integration of distributed energy resources (DER) will lead to a more complex power system. Freight companies relying on electricity for their operations will need to adapt to potential changes in power reliability and pricing structures due to the variability of renewable energy sources.

Maintaining a stable price for electricity and clear signals that supply will meet demand will support decarbonisation of the transport sector.

Opportunities for Participation in the Energy Market

With the increase in DER, freight companies could potentially participate in the energy market. For instance, companies with large vehicle fleets could use vehicle-to-grid technologies to provide energy storage solutions that help manage peak demand.

Freight and logistics companies often have large roof areas that may be suitable for solar generation to support the grid reducing the demand on rural land.

Resilience and Risk Management

With the expected increase in extreme weather events due to climate change, freight companies are needing to enhance their resilience strategies. This includes ensuring reliable energy sources for their operations.

As our industry decarbonises and the reliance on electricity increases the consequences of disruption to supply also increases. Encouraging localised renewable generation that is resilient to adverse weather will be critical.

Encouraging freight companies to adopt Hydrogen fuel cell as a means to store electricity could be a cost effective buffer to ensure resilience.

Closing Comments

The Electricity Sector is becoming increasingly important for the Transport Sector as we decarbonise. Battery Electric and Hydrogen Fuel Cell vehicles will require a robust and Therefore National Road Carriers is keen to assist the Authority to plan for this increase in demand.

Contact

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