Question and Answer

Operator

[Operator Instructions] Your first question today comes from Grant Swanepoel from Craigs Investment Partners.

Grant Swanepoel
Craigs Investment Partners Limited, Research Division

Quick question on wholesale gas. With Genesis more active in that market, you mentioned it's more competitive. Do you see that playing out negatively for your division over the next 12 months? Or is there enough going on in terms of contracts you had in place to hold whatever profits you've achieved so far? Second question is on price cuts for the electricity business in April relative to your being comfortable [ph] with analyst expectations. Have you put the P67 price cut in? And what does that equate to? And final question, where are you guys tracking at the moment relative to regulatory returns on your electricity and gas businesses? Can you give some indication of what prices might have to occur over the next couple of months in order to comply one way or the other?

Simon MacKenzie
Group Chief Executive Officer

Grant, first question -- sorry, there's quite a lot. Let's start off with the wholesale gas question. Look, we have always said that the gas market is competitive. We have a very strong position in the market. We have obviously relationships with upstream fuel providers for the buy side. And we have good relationships with a very large proportion of the -- sorry, I should say the customers in the market. So it is always going to stay competitive, but we do believe that where we sit at the moment, we're comfortable and we will continue to compete.

Dan Molloy
Former Chief Financial Officer

Grant, it's Dan. From a financial perspective, we're forecasting sort of flat performance for that business this year.

Simon MacKenzie
Group Chief Executive Officer

Sorry, turning to price cuts, I think there's a lot of focus on P75 versus P67. Obviously, that's still got to play out with regards to final decisions. And in conjunction with that as well, we have the DPP settings. As we mentioned earlier, we have a difference of opinion with regards to what's happening with volume. But with regards to P67, Dan can give you some indication around that implication. I am sure most of you have modeled it in any case.

Dan Molloy
Former Chief Financial Officer

Yes. So Grant, we have, to your second question, we have included the draft DPP parameters and P67 in our forecasts. Obviously, it comes in from the fourth quarter. And depending on where the commission sits relative to its current position or to the position that we're advocating, you're looking at a range of P0s from between a sort of 5% negative P0 to a 1% positive P0.

Simon MacKenzie
Group Chief Executive Officer

And Grant, if I understood you correctly, you're talking about how we were tracking versus -- for this year with regards to our returns in the electricity business in particular. So we're tracking against the commission's numbers of 8.7%. We are sitting at about 8.02% and that reflects the difference in volume in particular.

Operator

Your next question comes from Felicity Wolfe from Energy News.

Felicity Wolfe

Just got a couple of questions around the smart meters and particularly sort of your plans in Australia. You mentioned that you're undertaking or undergoing some certification at the moment. How long will that process take? And what does that involve? And also, how -- or when do you think that you might be doing some actual work over there? Also my second question is just around the SunGenie program. You've got sort of about 200 to the end of the financial year. Just wondering how that's going to date, what the expectations are for this year and whether or not it's still a trial.

Simon MacKenzie
Group Chief Executive Officer

Yes, sure, Felicity. With regards to Australia and metering, we have to be accredited to operate in Australia. It's roughly about a 6-month program. We're, I guess, about 6 weeks into that. And basically, the accreditation is to be a meter service provider and data manager. So really, it's around developing the processes and systems to meet the market requirements for the metering regulations. And so that's basically a process that we have to meet to be able to provide those services in the market. Where do we actually see things tracking? Well, the market in particular between New South Wales and Queensland is starting to move, I guess, in 2 ways. One is that they're obviously looking to divest parts of their businesses, whether it's in New South Wales or Queensland. So there's the potential of selling down assets. Coupled with that, they're also, as part of that process, looking at how smart metering gets rolled out. We've been strong advocates in Australia for the same market model as that's being put in place in New Zealand, so that's a retail customer-led market model as opposed to a regulated market model. And some of the issues that have been worked out in Australia are primarily around displacement fees for existing legacy meters and whether there should be any or not. And what occurs with that is a debate around if meters do get displaced, how does that impact on the carrying values of assets in some of the businesses that are being sold? So we see that accelerating though and we are actively involved in the market both from the regulatory design perspective, as well as working with customers such as the major retailers over in Australia to provide solutions. With regards to our solar solution, the SunGenie, I think the first thing I'd probably mention, which is the most pertinent point, is that I think there's a lot of talk about the solar and what's going on. There's no doubt that, globally, solar has grown significantly. Yes, it has grown in a lot of markets because of subsidies. But interestingly, where we see subsidies being removed in countries such as Australia, we're still seeing solar grow at about 12% per annum by way of penetration. Our trial is SunGenie. We are reviewing where we go next with that. We still remain committed to solar solutions. And we have found through our trial in this product, it's really identified the benefits of battery storage and how that integrates into our network, as well as, I think, the most important point around what are the consumer trends and what are their motivations for solar. Probably the biggest issue there is that a lot of people in the traditional energy markets think very much in terms of energy economic rationality in their world as opposed to in the context of a customer. And customers, we certainly have found are looking at prices about 1/3 order issue. There are much wider issues that they look at, for example, taking charge of their own energy issues from an environmental perspective and actually wanting to basically embrace solar as a solution. That has also led, in our case, in a number of instances -- sorry, in most instances, for consumers that do have solar to actually use more energy once solar has been installed than prior to installing it. The most important part for us is to ensure that the environment is such that the control of the solar can be integrated into the network and the customer has information and control to be able to use those solutions effectively.

Felicity Wolfe

Great. Do you have any idea of just -- or forecast for growth in that over the next year?

Simon MacKenzie
Group Chief Executive Officer

We're not going out into that detail. But it is fair to say that what we have seen by way of customer demand has lifted significantly in Auckland, and we recognize also that there's also a competitive landscape where there are a number of other operators operating in the market as well. But there is absolutely no doubt from where we sit that there is a lot of people looking to embrace solar, and the amount of interest that we have has lifted significantly.

Operator

Your next question comes from Andrew Harvey-Green from Forsyth Barr.

Andrew Rupert Pelham Harvey-Green
Forsyth Barr Group Ltd., Research Division

A couple of questions from me. Just basically, I guess, looking at the electricity costs in the second half. I think they're coming around about $47 million all up and understand maintenance is a large chunk of it. But that is the sort of the highest number that we've seen at least going back the last 5 or 6 years as I mentioned probably historically. Can you just give us a feel, I guess, how much of the -- how much are storms and what sort of maintenance one-off costs you've got bagged in that number?

Dan Molloy
Former Chief Financial Officer

Andrew, thanks for the question. In terms of the storms, we've got $1 million to $2 million in the financial year. In terms of some of those, the other reasons that operating expenses are up so strongly, looking at Transpower up about $12 million; rates up about $3 million; and the maintenance brings up about $7 million. And that's driven, as you say, by storms but also a decision to accelerate the corrective maintenance program this year -- sorry, last year.

Andrew Rupert Pelham Harvey-Green
Forsyth Barr Group Ltd., Research Division

Okay. So in terms of going forward, how should we think about what sort of level of maintenance you might be looking to do?

Dan Molloy
Former Chief Financial Officer

Well, we will be -- we'll be reducing that in line with the DPP parameters.

Andrew Rupert Pelham Harvey-Green
Forsyth Barr Group Ltd., Research Division

Okay. And next question, I guess, was just around the gas trading and looking at the gross margin and what's happened in that business. In the first half it came in, I think, around about 35%. In the second half, it's sort of 36.7% to administer, get a little bit of a lift in the gross margin. Are you able to sort of give us an idea of what's driving that? And presumably given your previous comments around gas trading, profitability for next year is going to stay at this sort of level going forward.

Dan Molloy
Former Chief Financial Officer

Yes, okay. So I guess, we're in a market where we're seeing some changes in terms of -- with being able to buy gas a bit better. We've been able to -- we're getting some strong growth in the LPG sector, particularly in model swap. And we also had strong growth in Liquigas particularly, which has aided quite a bit in terms of the financial performance of the gas wholesale business. So those are the key factors playing into the second half performance of that business.

Andrew Rupert Pelham Harvey-Green
Forsyth Barr Group Ltd., Research Division

Yes, all right. And just the last question, couple of questions I had just around the technology business. Are you be able to give us a feel for what percentage of that business is now smart meters in terms of the -- of the $120 million, how much -- so 186 is smart meters and $100 million of EBITDA for smart meters versus the other [indiscernible] within that [indiscernible] division?

Dan Molloy
Former Chief Financial Officer

No. Look, Andrew, we've never unpacked the technology division. So the level of disclosure we give us is the level of sort of where we want to be at this stage.

Operator

[Operator Instructions] We are showing no further questions at this time.

Simon MacKenzie
Group Chief Executive Officer
Okay. So if there are no further questions, we'll end the teleconference and thank you for your attendance. If analysts have further questions, please contact Dan, and media can contact Sandy Hodge. Both will be happy to help with any questions you have. Thanks very much for joining us.