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Electricity Authority Te Mana Hiko  
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Tēnā koutou

## **PROPOSED AMENDMENTS TO THE DEFAULT DISTRIBUTOR AGREEMENT AND CONSUMPTION DATA TEMPLATE**

1. Unison Networks Limited (**Unison**) is an electricity distribution business (**EDB**) operating in Hawke's Bay, Taupō and Rotorua. Centralines Limited (**Centralines**) is an EDB operating in Central Hawke's Bay. Unison and Centralines support the Electricity Networks Aotearoa's (**ENA**) submission.

### **Regulatory conflict**

2. We acknowledge reliability is part of the Authority's mandate. Unison and Centralines encourage the Authority to exercise its jurisdiction carefully and consistent with a "least regrets" policy approach. The interplay with the Commerce Commission's price-quality regime is complex. It would assist to see evidence of constructive collaboration between the regulators about how that interplay is being managed to protect consumers.
3. Unison and Centralines are concerned about proposed amendments to the Default Distributor Agreement (**DDA**) that may undermine efficient operations and conflict with the outcomes sought under the Commission's jurisdiction. Restricting price changes and increasing distributor liability and financial penalties may have perverse outcomes that do not meet the Authority's policy intent. This includes, potentially, by reducing competition in the electricity industry by disincentivising flexibility services. Contractual arrangements in this area are already challenging, and increased liability and penalties for distributors may enhance those challenges, especially in the short-term.

### **More urgent changes promoting competition, reliability and efficient operations**

4. While we support the urgency in addressing changes to the consumption data template and associated Code amendments, not all amendments are similarly urgent in the context of promoting the Authority's s 15 objectives. Metering Access Providers (**MEPs**) need active regulation ensuring fair pricing, given their market power and the criticality of the information to increasing competition in the electricity industry.
5. Beyond improving access to MEPs consumption and power quality data and cost, the greatest benefit to consumers in the long-term will likely come from addressing now how distributors and flexibility providers should structure their relationships to promote competition, reliability, and efficient operations.

**Improve the cost-benefit analysis**

6. We suggest an improved cost-benefit analysis is undertaken that includes administrative and resourcing costs to distributors of implementing the proposals, and the impacts of costs and penalties on the consumer, including because of the Commission's regulatory treatment (for example, refunds becoming foregone revenue).
  
7. Unison and Centralines recommend further collaborative work with the Commission and industry to improve the proposed amendments for the benefit of the consumer.

Ngā mihi

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