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#### **SUBMISSION ON 2013/14 APPROPRIATIONS AND WORK PRIORITIES**

- 1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the “2013/14 Appropriations and Work Priorities, and EECA Work Programme” consultation paper (the **paper**) released by the Authority in September 2012.
- 2 Our submission is brief and comments on only a few aspects of the paper.

#### **Distribution system operator**

- 3 We note that the DSO concept is to be considered as part of the “Review of arrangements for management of load control”, identified as a “Future project” in the paper for commencement in 2014/15, and completion in 2015/16. Given the recent changes to the MUoSA regarding load management property rights, and the perspective that these rights should only be determined in a “market” context, we are strongly of the view that this project should be brought forward to the current financial year, and commence as soon as possible. The horse may have well and truly bolted if we wait until 2015/16 for resolution.

#### **Review of distribution company arrangements**

- 4 We note that this project is to be scoped in 2012/13 (page 33). However, it remains unclear what the nature of the scoping is. We would appreciate more detail into why this is on the work programme at all.



### **Project prioritisation**

- 5 We note the comment in the paper (E.4, page 21) that the Authority has a “heavy project workload”. As a recipient of the project outputs we can confirm that the workload weighs heavily on participants as well. As such we are surprised that the paper still lists a number of projects that are described as having “low” public benefit. What is more some of these projects, for example “Breakdown of customer billings” and “Domestic contracting arrangements”, have only recently been through a consultation process and we had thought they were complete, or at least in a mode where some time could be allowed to pass to gauge the impact of the last process.
- 6 On the other hand we notice that the VoLL project, which apparently has a “high” public benefit, and has been going on for several years now, is a third priority project?

### **Coordination**

- 7 We note the section on Coordination with the system operator (E18 to E.20, page 25). We recommend that the Authority also have a specific section on coordination with the Commerce Commission. A number of the projects are affected by or affect Commerce Commission activity. A specific example is the distributed generation regulations, where the latest Commerce Commission input methodologies mean we are no longer able to treat avoided transmission payments to distributed generation (DG) as a recoverable cost (previously called pass-through cost), even though we are still required to make the payment under the DG regulations in Part 6 of the Code.
- 8 More generally the overall workplan appears to be somewhat “siloed”, with little attention paid to interdependencies and sequencing. A recent example is the load management decision referred to in paragraph 3 above.

### **Concluding remarks**

- 9 Thank you for the opportunity to make this submission. Orion does not consider that any part of this submission is confidential. If you have any questions please contact Bruce Rogers (Pricing Manager), DDI 03 363 9870, email [bruce.rogers@oriongroup.co.nz](mailto:bruce.rogers@oriongroup.co.nz).

Yours sincerely



Bruce Rogers  
**Pricing Manager**