

14 August 2015

Electricity Authority
submissions@ea.govt.nz

Code review programme consultation

Thank you for the opportunity to comment on the Electricity Authority's Code review programme consultation.

We have set out our responses to the Authority's proposed amendments in an Annex to this letter.

Please contact me with any queries on 09 580 3623 or
nick.wilson@mightyriver.co.nz.

Yours sincerely



Nick Wilson
Manager Regulatory and Government Affairs

Annex 1: Responses to proposed amendments

Reference number for amendment you are submitting on:	084-003, 002-004, 078-007, 097-009, 089-010, 046-011, 049-013, 093-014, 050-015, 069-017, 071-019, 072-020, 074-021, 003-022, 081-023, 007-024, 005-026, 009-027, 082-028, 013-029, 015-030, 004-031, 091-032, 017B-033, 024-034, 025-035, 027-036, 028-037, 017A-038, 041-039, 045A-040, 094-041, 056-042, 057-043, 059-044, 061-045, 064-046, 095-047, 096-048, & 076-049.
<p>Amending the “use-of-system” definition, removal of auditor obligations, installation and modification of metering installations, recalibration requirements for installation of category 1 metering installations, remedying an event of default, information a metering equipment provider must provide to the registry, requirement for the Authority to publish a centralised data set, revocation of distributor indemnity, prudential security requirements, publication of Code breach reports from the reconciliation manager, certification of reconciliation participants, publishing lists of certified reconciliation participants, quantification of errors and metering interrogation systems, amending the definition of “approved test house”, amending the definition of “EIEP”, replacing the definition of “distributor”, amending the definition of “energisation” and “de-energisation”, amending the definition of “event date”, amending the definition of “metering installation”, amending the definition of “special protection scheme”, amending the definition of “value of expected unserved energy” and related clauses, amending the definition of “sub-station dispatch groups” and provisions regarding block security constraints and station security constraints, clearing manager to determine wash up amounts payable and receivable, audit provision ambiguity, obligation to keep metering records, modification of metering installations, requirements for certifying metering installations that incorporate meters and data storage devices, category 1 metering installation inspection requirements, audit provision ambiguity, approval of valid switch response code, registry metering records: settlement indicator, revocation of redundant transitional provisions from Part 12A, publication of report relating to grid emergency, exchanging information that relates to auctions through the information system, spot price risk disclosure statements, application for approval for a dispatch capable load station, preparation of dispatchable load information by dispatchable load purchasers, functions requiring certification – provision of metering information to grid owner, functions requiring certification: subclause (1)(d), (da), and (db), & rounding of submission information.</p>	
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Yes.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	

Yes.

Reference number for amendment you are submitting on:

097-001 (Amending the definition of “contract for differences”)

Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.

No.

Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.

No. The solution should make the process less onerous by removing the process for providing a statutory declaration.

Question 3: Do you have any comments on the Authority's proposed Code drafting?

The proposed drafting should also remove the process for providing a statutory declaration.

Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?

No. The process for providing a statutory declaration should be removed. In our view, there will be no reduction in quality of the data received by the Authority if this were to occur. The Authority has an extensive auditing right to check trade information if it chooses. The mere presence of an audit right is an incentive for participants to provide accurate data.

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?

No.

Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

No. The proposed process should also remove the process for providing a statutory declaration.

Reference number for amendment you are submitting on:	008-002 (Replacing the definition of “embedded network”).
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Yes.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Yes.	

Reference number for amendment you are submitting on:	020-005 (Requirements for distributors in relation to recertified NSPs that are not points of connection to the grid)
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
No.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
No.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
<p>No. A change to the registry's functionality should be made to enable metering to be added to the registry where a network supply point (NSP) is already represented by a LE ICP on the registry.</p> <p>The only non-grid connected NSPs which should require an addition to the register are interconnection points.</p> <p>Changing the Code in this way would remove the need for the embedded network owner to translate ICP information for the related NSP.</p>	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
No.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
N/A.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
No. We do not think the option for embedded network NSPs to utilise LE ICPs on the registry has been adequately considered.	

Reference number for amendment you are submitting on:	022-006 (Energising a point of connection that has not previously been energised)
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Yes. The change will reflect current market practice so, arguably, estimated costs may have been overstated.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Yes.	

Reference number for amendment you are submitting on:	079-008 (Measurement of reactive energy on category 2 metering installations)
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Yes. We request the Authority also investigates further the process and methodology for determining which customers should have reactive energy monitoring activated and Power Factor charges applied following a meter's installation. We consider the initiator of the activation request in this instance should also carry the setup costs and lead the communications with the various parties. This will aim to promote consistency across the networks and reduce unnecessary costs to traders and MEPs.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Yes.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Yes.	

Reference number for amendment you are submitting on:

047-012 (Publication of Transmission Agreements)

Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.

Yes

Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.

We support a list of transmission agreements and explanations of variances with the benchmark being made available. An explanation of each variation will ensure consistency with the benchmark agreement and other parts of the Code.

We question, however, the additional benefit to enabling any person to request a copy of the transmission agreements. It is not appropriate for the documents themselves to be made publicly available because there are commercially sensitive aspects to variations and the specific schedules attached to each agreement.

For the avoidance of doubt, we also suggest that the proposed amendment clearly exclude any agreements that are not based on a benchmark agreement, such as customer investment contracts.

Question 3: Do you have any comments on the Authority's proposed Code drafting?

The requirement to provide a copy of the agreements should be removed.

Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?

Yes. Although the objective does not require the publication of copies of the agreements.

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?

No, not if copies of the agreement are published.

Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

No. As noted above, the preferable option is to make available the list of transmission agreements and explanations of variances with the benchmark. The additional requirement to provide copies of agreements is not required to remedy the identified problem and is not appropriate because there are commercially sensitive aspects to variations and the specific schedules attached to each agreement.

Reference number for amendment you are submitting on:	051-016 (Electricity Information Exchange Protocols (EIEPs))
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Refer response to Q3.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
<p>Because of the extent of the process/costs that can be involved in amending a UoSA, we request the amendment is drafted to also provide for parties to agree alternatives to newly publicised EIEP reports in writing. This could be achieved by amending draft clause 12A 14(3) or 12A14(2) to incorporate the wording “by mutual agreement in writing”. We also request the Code is amended to require the registry hub is used to transfer files between parties unless both the trader and network owner agree otherwise. By setting the default transfer method as the registry hub, this will ensure the security of file transfers and a standardised method is used by all parties.</p>	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Refer response to Q3.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority’s statutory objective in section 15 of the Electricity Industry Act 2010.	
Refer response to Q3.	

Reference number for amendment you are submitting on:	070-018 (New Zealand Daylight Time adjustment techniques)
Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
We consider the on-going need for NZST is questionable and its inclusion should be reconsidered.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?	
Yes.	
Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	
Yes.	

Reference number for amendment you are submitting on:

083-025 (Amending the definition of “electricity supplied”)

Question 1: Do you agree with the Authority's problem definition? If not, please provide comments.

No. There is not enough clarity around the actual confusion of the current state.

Question 2: Do you agree with the Authority's proposed solution? If not, please provide comments.

No. The proposed solution creates more confusion around what is required, which could potentially lead to significant system changes if misinterpreted.

Question 3: Do you have any comments on the Authority's proposed Code drafting?

No.

Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?

No.

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs?

No.

Question 6: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

No. We believe the status quo is preferable.