



Electricity Authority Work Programme

1 July 2017 – 30 June 2018

30 June 2017

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Executive summary

The Authority's work programme details the major projects we intend to progress during the 2017/18 financial year. The work programme sets out:

- **Priority 1—Key projects.** These are strategically important projects. Key regulatory projects (projects in blue text in Table 1) may result in new Code amendments, or market facilitation initiatives. Projects in red text are key implementation and operational projects.
- **Priority 2 and 3—Other projects:** These include priority 2 and priority 3 regulatory projects, projects to deliver operational efficiencies, and compliance projects.

Table 1: Summary of priority 1 projects

#	Project	Programme	Code completed in 2017/18 year?	Existing or new project?
A1	Enabling mass participation in electricity markets	A: evolving technologies and business models	Not applicable	Existing
A2	Multiple trading relationships	A: evolving technologies and business models	No	Existing
A3	Data and data exchange	A: evolving technologies and business models	No	Existing
B1	What's my number	B: consumer choice and competition	Not applicable	Existing
C1	Transmission pricing review	C: pricing and cost allocation	No	Existing
C2	Distribution pricing review	C: pricing and cost allocation	Not applicable	Existing
C3	Spot market settlement on real-time pricing	C: pricing and cost allocation	Possible	Existing
D1	Introduction of hedge market cap products	D: risk and risk management	Not applicable	Existing
D2	Review of market systems resilience to adverse events	D: risk and risk management	Not applicable	New
D3	Extended reserve implementation	D: risk and risk management	Not applicable	Existing

Introduction and purpose

Our planning documents

Our *Statement of Intent* (SOI) sets out our medium -term strategic intentions. We publish an SOI at least every three years. Our *Statement of Performance Expectations* (SPE) is a partner document to the SOI. The SPE provides details of our planned work and financial forecasts for one year.

The work programme is a non-statutory planning document. It provides indicative information about major projects for the coming financial year.

We have a range of business-as-usual activities and minor projects that are not listed in this work programme. We have also identified potential projects that we currently do not have the resources to pursue. These potential projects are not listed in this work programme.

We have considered stakeholder input in finalising this work programme

When developing this work programme we considered submissions from stakeholders on our consultation on the 2017/18 appropriations and work programme.

We have also considered the work programme for strategic alignment, and the resources available to carry out the planned work. We also considered the resource implications for stakeholders and service providers.

Our market development approach

Wherever possible we seek voluntary market facilitation measures rather than Code amendments. We are mindful of the burden that extra Code provisions can impose on market participants and the value from evolving market arrangements overtime rather than fixing them in the Code.

Market development programmes reflect our strategic focus

Our market development programmes were revised for the 2016/17 work programme. For 2017-2021 we have published a new Statement of Intent. The market development programmes developed last year continue as they strongly align with the updated Statement of Intent.

Contributions to our statutory objective

The tables that follow show how projects link to the competition, reliability and efficiency limbs of our statutory objective. The ticks show moderate or major contributions projects are expected to make.

Flexibility

This work programme represents a full commitment of our resources. However, we may need to reprioritise during the year, for example if new projects may be required, or if new information becomes available about a specific project. We will review and update this work programme on a regular basis.

Reporting

We will publish four-monthly summary reports on progress.

Figure 2: Our strategic framework and the programmes included in this work programme



Programme A: Evolving technologies and business models

This programme covers initiatives to reduce inefficient barriers to the development and use of evolving technologies and business models across the supply chain. This includes reducing inefficient barriers to:

- any consumers purchasing directly from the wholesale electricity market or directly from local generators
- mass-market demand response (DR) and aggregators of mass-market DR
- mass-market distributed energy resources (DERs) and aggregators of mass-market DERs. DERs include traditional distributed generation, batteries, micro-grids and ‘prosumer’ situations.

This programme aligns with our *reduce barriers* strategy in the SPE.

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A1	Enabling mass participation in electricity markets	1	This project is aimed at identifying any areas missing from our work programme relating to inefficient regulatory barriers to greater participation and uptake of technology in electricity markets. The projects that are identified will be addressed, as necessary, through existing or new projects.	Removing barriers to mass participation will allow innovation and new business models to develop for the long-term benefit of consumers.	Complete consultation on an issues paper. Decide next steps, including whether to start new projects to address inefficient regulatory barriers identified through consultation.	High	High	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A2	Multiple trading relationships	1	This project explores the issues involved in allowing multiple trading relationships at each connection point.	<p>Consumers are increasingly able to obtain electricity services (including retail, generation, demand response) from multiple suppliers. At present, the Code and industry practices limit consumers' ability to establish relationships with more than one electricity services provider.</p> <p>Allowing multiple trading relationships could promote competition, for example by facilitating development of new business models and services.</p> <p>There is also potential to promote reliability by using diverse, small-scale distributed energy resources.</p>	Complete consultation on an issues paper.	High	Med	Med

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A3	Data and data exchange	1	Review of the data and data exchanges between participants (including service providers).	<p>We want to make sure that data and data exchanges allow for innovation and more participation in the electricity market. We also want to see whether we can use more recent technology to improve the efficiency of data exchange. This could further enhance competition and choice for consumers.</p> <p>The primary focus is to see that the right information is provided at the right times, and at an appropriate level of accuracy, so people pay and are paid the right amount. Doing this could improve the operational efficiency of the electricity industry.</p>	Complete consultation on an issues paper.	High	Low	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A4	Integration of hosting capacity (New)	2	<p>Hosting capacity is the capacity of distributed generation that a network can tolerate without exceeding its quality thresholds.</p> <p>We need to replace "congestion period" with "hosting capacity" within Part 6. Recent guidelines released by the University of Canterbury makes this work more urgent.</p> <p>Possible changes to Part 1A process to allow distributors to require inverter settings for network protection.</p>	<p>We are seeking to improve competition and efficiency by allowing more consumers to become more self-sufficient, eg, using photo-voltaic and batteries.</p> <p>Allowing distributors to use hosting capacity and to specify inverter settings allows distributors to allocate DG connections efficiently rather than on the current 'first come first served' basis.</p>	Investigate and complete an issues paper for consultation.	Med	Low	High
A5	Review of distribution sector (previously called Efficiency of distribution company arrangements)	2	The Authority anticipates that rapid technological change is going to have an increasing effect on electricity distribution businesses (EDBs). EDBs have varied governance arrangements and widely varying sizes. Some have ancillary businesses that are not regulated.	We want a better understanding of the factors that influence the ability of EDBs to respond to technological change.	Develop the scope of the review and begin the review.	Low	Med	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A6	Participation of storage technology in the wholesale market	3	Investigate and address any barriers in the Code to the efficient operation of grid scale storage technology in the wholesale market (eg, offer, dispatch, spot price arbitrage and ancillary service market participation). Note that participation of smaller scale storage technology being investigated as part of the enabling mass participation project.	Removing any barriers to different forms of storage technology in the wholesale market could improve supply side competition, contribute to reliability and potentially improve the operational efficiency of the electricity industry.	Start investigation.	High	Med	Med
A7	Guiding regulatory principles for demand-response	3	Update the guiding regulatory principles for demand response. There are a number of competing uses for demand response. The guiding regulatory principles set out the Authority's criteria for assessing those uses.	The guiding regulatory principles should improve efficient use of demand response, and evolving technology is likely to materially increase opportunities for demand response.	Publish an updated version of the guiding regulatory principles for demand response.	Low	Low	Med
A8	Enabling dispatchable demand at conforming nodes	3	A project to enable aggregators to aggregate load over several conforming GXPs and several retailers. This involves an expansion of the dispatchable demand (DD) regime.	We are seeking to enable more efficient use of dispatchable demand by allowing third parties to contract with loads at conforming GXPs. This will improve competition and reliability.	Start development of a Code amendment consultation paper.	Med	Low	Low

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
A9	Monitoring for new technologies (New)	3	Investigating and implementing changes to market systems required to monitor and enable new technologies, including any Code changes required to support data gathering.	Supporting the programme of work around enabling new technologies and business models. This will support better policy and market design, better information for public and private investment decisions, better information for government, as well as for the Authority monitoring.	Complete consultation on potential enhancements to the registry and participant's systems (aimed at advancing lower cost and/or simpler enhancements). Develop scope of stages 2 and 3 of this project – that will consider higher cost enhancements and/or potential policy implications.	Low	NA	Med

Programme B: Consumer choice and competition

This programme covers initiatives to promote consumer participation through the retail market. Aspects relating to prosumers and/or consumer participation directly in wholesale markets are covered in programme A. This programme aligns with our *improve consumer participation* strategy.

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
B1	What's my number (WMN)	1	<p>The WMN campaign promotes to consumers the benefits of comparing and switching retailers using a multi-channel advertising campaign.</p> <p>As part of WMN we partly fund the ConsumerNZ Powerswitch website, which is an independent electricity price comparison website.</p>	WMN encourages consumers to shop around by increasing awareness of possible savings available and that it is easy to switch.	Successful delivery of WMN campaign.	High	NA	Low
B2	Consumer education programme	2	We will provide information and education to the public about electricity market performance, and the benefits from a competitive market	Improved availability of information will increase consumer awareness, understanding and motivation to participate in both the wholesale and retail markets.	<p>Evaluate the Consumer education pilot and agree programme of work.</p> <p>Maintain the number of annual visits (15,000) to the consumer section of the Authority website.</p>	Med	NA	NA

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
B3	Default distribution agreement (DDA)	2	A review to consider amending the Code to introduce a default distribution agreement. The contractual relationship between a distributor and retailers is set out in a distribution agreement (also known as a use-of-system agreement (UoSA)). The UoSA sets out the terms of the service provided by a distributor to the retailers trading on its network.	<p>A DDA could promote retail competition and efficient operation. A DDA could reduce entry and expansion barriers, reduce the costs of doing business, and enhance innovation in the retail market.</p> <p>The terms of the relationship between a distributor and retailers are important for retail competition and efficiency.</p>	Board decision on next steps, which could include approving Code amendment.	High	Low	High
B4	Saves and win-backs (New)	2	A project to consider whether changes to the Code are required in response to the post-implementation review of the 'saves' Code provisions.	Saves and win-backs are at the crux of competition between retailers. It is important that new entrant retailers have a 'level playing field' for competing for customers. This project is important for promoting retail competition.	Complete consultation on an issues paper.	High	NA	Low

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
B5	Spot prices and risks for consumers	3	Review completed in 2016/17. Implementation taking place in 2017/18.	<p>Mass market consumers paying spot prices need access to good information about spot price risks and options for dealing with those risks. This is important for residential consumers who are not hedged.</p> <p>Competition and reliability may be affected if this is not addressed.</p>	Develop market facilitation measure (MFM) and communicate to retailers who offer spot-price products to residential consumers - by Dec 2017.	High	High	Low

Programme C: Pricing and cost allocation

This programme covers initiatives to promote efficient pricing in markets and for monopoly services. This programme aligns with our *improve price signals* strategy.

Project No.	Project and work stream	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
C1	Transmission pricing review	1	A review of the transmission pricing guidelines.	We want to get operational and investment efficiency in the transmission sector. This will also contribute to efficiency in the broader electricity market. More efficient transmission pricing will promote more efficient use of the transmission network and more efficient investment in the transmission network and by parties using the transmission network.	Board decision on the next steps for the TPM review.	Low	Med	Very High

Project No.	Project and work stream	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
C2	Distribution pricing review	1	<p>Reforms to the pricing of distribution services to address the implications of evolving technologies affecting the electricity sector.</p> <p>We are pursuing an industry led approach.</p>	<p>We want to make sure distribution prices signal efficient investment in and use of evolving technologies.</p> <p>More efficient distribution pricing will promote more efficient use of, and investment in, the distribution network. Prices that are service-based and cost-reflective will contribute to efficiency in the broader electricity market</p> <p>This will promote efficiency and competition by providing consumers with improved pricing information that enables consumers to make better decisions.</p>	Complete consultation on revised Distribution pricing principles and Information disclosure guidelines.	High	Med	Very High

Project No.	Project and work stream	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
C3	Spot market settlement on real-time pricing	1	<p>Further developing the settlement on real-time pricing initiative.</p> <p>Specifically:</p> <ul style="list-style-type: none"> Settlement on dispatch-based real time prices Re-offer within the trading period. 	<p>We want to reduce barriers to retail competition and new technologies for demand response arising from current spot market arrangements.</p> <p>Enhancements to the spot market pricing arrangements have the potential to increase competition in the hedge and retail markets, and improve reliability and operational efficiency through greater technology adoption and demand responsiveness to spot market prices.</p>	Complete analysis of submissions on first round of consultation on comprehensive Code amendments.	High	High	High
C4	Review of spot market trading conduct provisions	2	Review of trading conduct provisions in light of events that have tested these provisions. Take into account any findings from case studies, performance reports and compliance reports.	Improved wholesale market competition by ensuring the trading conduct provisions are practicable and well understood.	Start preparation of an issues paper.	High	High	Med
C5	Implementation of distributed generation pricing principles (DGPPs)	2	Implement DGPP decision made in December 2016.	Implementing the approved changes will promote efficient investment in transmission and distributed generation.	Implement according to Code requirements.	Low	Low	High

Project No.	Project and work stream	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
C6	Improving accuracy of spot price forecasts	2	Improve the accuracy of prices in the spot market forecast schedules available up to 36 hours in advance of real-time.	<p>We want to reduce barriers to retail competition and demand response arising from current spot market arrangements.</p> <p>Improving the accuracy of spot price forecasts is expected to encourage more efficient demand-response and generation scheduling, and benefit those parties looking to employ new technology and business models.</p>	<p>Publish decision paper on preferred option(s) for development.</p> <p>Start development of option(s), initial focus likely to be on improving the accuracy of conforming load forecasts.</p>	Med	Low	Med
C7	Enable system operator's EDF implementation	2	EDF refers to electronic dispatch facility. Code amendments are needed to enable the system operator to implement EDF Phase III, which deal with processes for acknowledging dispatch instructions and enable potential improvements to ramp rates.	Improve efficiency and competition in the wholesale market by lowering entry and operational costs for dispatch and enabling potential new features. EDF Phase III is regarded as a key enabling project for settlement on real-time pricing.	Start review of the Code to determine what, if any, Code amendments are required to enable go-live of EDF Phase III.	Med	Med	Med
C8	Review of wind generation offer provisions	2	This project will review the offer and dispatch Code provisions for wind generators.	To review the offer provisions covering wind generators to ensure they promote reliability and efficiency for the long-term benefit of consumers.	Publish Code amendment consultation paper.	Low	Med	Med

Project No.	Project and work stream	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
C9	TPM operational review (New)	2	Operational changes proposed by Transpower to the existing Transmission Pricing Methodology within existing TPM guidelines.	Transpower can propose operational changes to the existing TPM. We are required to consider their proposal.	Consider Transpower's proposal and respond, as required.	Med	Med	Med

Programme D: Risk and risk management

This programme covers initiatives to promote efficient management of capacity and energy risks. This programme aligns with our *increase flexibility and resilience* strategy.

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
D1	Introduction of hedge market cap products	1	<p>Introduction of exchange traded cap products to provide more transparent pricing of supply risks and encourage the provision of infrequently dispatched generation plant. Aiming to have both energy (lower strike price) and capacity (higher strike price) products listed.</p> <p>Ensuring the Electricity Contracts webpage is able to record cap transactions.</p>	<p>We seek to improve retail competition and security of supply by giving market participants greater certainty about forward price expectations.</p>	<p>Listing of exchange traded cap products.</p> <p>Monitor and report on trading performance once caps are listed.</p>	High	High	Med
D2	Review market systems resilience to adverse events	1	<p>Review the resilience to adverse events of the market systems provided by our market operation service providers (MOSPs).</p> <p>Work with other agencies to plan an industry-wide cybersecurity exercise.</p>	<p>We want to ensure that our MOSPs provide services that are resilient to adverse events.</p> <p>We want to ensure that the industry provides a coordinated response to an adverse cybersecurity event.</p>	<p>Complete review of MOSPs' business assurance audits for cybersecurity arrangements.</p>	NA	High	NA

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
D3	Extended reserve implementation	1	<p>The Code was amended in June 2014 to provide for efficient procurement of extended reserve. Implementation includes establishment of a service provider role.</p> <p>Extended reserve is currently provided via automatic under-frequency load shedding (AUFLS). Replace current 2-block AUFLS scheme with a 4-block extended reserve scheme.</p>	<p>We are seeking more efficient provision and use of extended reserve – the reserve that is operated only in major under-frequency events.</p> <p>Contributes to the efficiency and reliability limbs of the Authority's statutory objective.</p>	<p>Complete the selection of demand units and planning for their implementation.</p> <p>Commence transition from the old 2-block AUFLS scheme to the new 4-block extended reserve scheme.</p>	Low	High	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
D4	Review the treatment of contingent storage in the security of supply arrangements	2	<p>The security of supply forecasting and information policy (SOSFIP) includes a description of how the system operator must calculate hydro risk curves (HRCs), which currently excludes contingent storage in hydro lakes. As the SOSFIP was last reviewed in 2013, this project is to consider how best to treat contingent storage in the SOSFIP and if necessary, in other security of supply arrangements.</p> <p>A key component involves the system operator reviewing whether a change in the treatment of contingent hydro storage is warranted, and, if so, follow the Code process for proposing amendments to the SOSFIP.</p>	<p>If contingent storage in Lake Pukaki becomes available at lower levels of supply risks (eg, at the 4% HRC rather than the 10% HRC) then it may alter the way the market responds to extended dry events and responds to current security of supply policy. A full review of the treatment of contingent storage is needed to ensure market participants have clarity about future dry year events.</p>	<p>If the system operator proposes changes to the SOSFIP, within 6 months issue a decision paper on that proposal or a consultation paper.</p>	Low	High	Low
D5	Wholesale market information	2	<p>Review the wholesale market information disclosure exclusions in Clause 13.2A of the Code.</p> <p>Evaluate and progress as appropriate other Wholesale Advisory Group recommendations to improve wholesale market information.</p>	<p>We seek to facilitate the wholesale market including an active hedge market by enhancing the disclosure of information that influences wholesale market and forward prices.</p> <p>A more active hedge market enhances retail competition.</p>	<p>Complete Code amendment consultation and update guidelines.</p>	High	Low	Med

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
D6	Offsetting of prudential requirements for exchange traded, spot, OTC and FTR markets	2	This project investigates whether and how the clearing manager could take exchange traded positions into account when assessing a wholesale market participant's prudential security requirements.	<p>A more integrated offsetting across the various components of the wholesale market has the potential to improve the efficiency with which market participants manage their working capital.</p> <p>This improvement in financial efficiency will enable a greater level of competition in the retail market.</p>	<p>Publish evaluation paper on whether to progress with greater offsetting of prudential requirements.</p> <p>If assessed to be a net benefit, start more detailed design of preferred options.</p>	Med	Low	High
D7	Normal frequency management strategy	2	Develop arrangements to improve the generator governor asset owner performance obligations to maintain effective frequency management.	Provide stable frequency of an acceptable quality to consumers at the lowest long-term cost - a productive efficiency improvement for the long-term benefit of consumers.	Begin developing proposals to improve the generator governor asset owner performance obligations.	Med	High	High
D8	Instantaneous reserve market review	2	A review of the instantaneous reserve markets to reduce barriers and enhance performance.	<p>Current arrangements may create barriers for some types of instantaneous reserve. We will consider options to reduce unnecessary barriers.</p> <p>This will contribute to increased competition and efficiency.</p>	Publish an information paper closing out investigations completed to date.	Low	Low	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
D9	Enhancement of FTRs	3	<p>Consider Financial Transmission Right (FTR) market enhancements that would:</p> <ul style="list-style-type: none"> • better integrate FTRs with other forward contract types, e.g. over-the-counter and ASX Futures and Options • enable overseas traders to participate • facilitate the secondary trading of FTRs • facilitate more reliable settlement day prices for prudential security assessments. 	<p>We seek to improve retail competition by providing market participants with improved risk management products that facilitate greater certainty about forward price expectations.</p> <p>This will also promote reliability and efficiency.</p>	<p>Publish a consultation paper that evaluates detailed options to enhance the FTR market.</p> <p>If assessed to be a net benefit, start more detailed design, consultation and implementation of options.</p>	High	High	Low
D10	Refinements to customer compensation scheme (CCS)	3	Address minor improvements to the CCS that arose out of the 2016/17 review.	We want to ensure the CCS is continuing to deliver efficient levels of security of supply.	Publish a decision paper prior to winter 2018.	NA	Med	Med

Programme E: Operational efficiencies

Initiatives to increase the efficiency of electricity market operations. In particular, we look at refining processes set out in the Code and initiatives to improve market systems. This programme primarily aligns with our *ensure fit-for-purpose market services* strategy and also contributes to other strategies.

Code improvements include removing barriers to efficient operation and interaction, including via data exchange.

Market systems are provided by market operations service providers (MOSPs) and the system operator. We want these services to deliver effective market operation, increase market efficiency, and facilitate market development.

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
E1	Review of the Security Standards Assumptions Document (SSAD) (New)	2	<p>Security of supply margins (energy and capacity) are mandated in the Code. The Authority also has an assumption document (SSAD) given to the system operator to base their assessment on. This project is to review the both the margins and the SSAD.</p> <p>The Security Standards Assumptions Document (SSAD) specifies numerous assumptions that the system operator must use in its preparation of the Security of Supply Annual Assessment (ASA). It was last reviewed on 14 November 2012. The review of the 2016 ASA identified a number of opportunities for improvement in the SSAD. This includes remodelling wind contribution factors using the latest data for actual wind performance. Completion of a revised SSAD by October 2017 will enable inclusion of the latest assumptions to be used by the system operator in its ASA for 2018.</p>	<p>Maintaining the currency of the SSAD is important for maintaining the credibility of the ASA and the security of supply regime more broadly.</p>	<p>Complete a review of the Code mandated security margins and the SSAD.</p> <p>Update of the Code security margins, if required (Code amendment).</p>	NA	High	Med

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
E2	Operational review of metering and registry processes	2	A review of the operational elements of Part 10 of the Code to ensure efficient operation of the metering, registry and the related processes. We will also review related sections in other Parts of the Code.	<p>The new Part 10, which came into effect in 2013, introduced a number of new obligations and processes relating to metering, switching and the registry.</p> <p>The operation of the market has continued to evolve since that time. We want to make sure these processes are as efficient as possible.</p>	<p>Complete an analysis of the submissions on the issues paper (closes June 2017).</p> <p>Board approval of a Code amendment consultation paper for relevant issues (if necessary).</p>	Low	NA	High
E3	Review of switching process (New)	2	Work was previously carried out and consulted on in 2014/15 on possible improvements to switching processes. At the time participants were not supportive as the implementation costs were considered high compared to benefits. Participants have recently indicated they wish this to be revisited.	We are seeking to improve the efficiency of the switching process.	Investigate and complete issues paper for consultation.	Med	NA	Med

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
E4	Review of register content codes	2	<p>Register content codes are used by participants to describe the characteristics of the electricity supply from a metering installation. The codes allow the accurate allocation of tariffs to consumers.</p> <p>This project will review the principles, structure and rules for the creation of register content codes to ensure they are fit-for-purpose with ongoing changes to industry.</p>	Remove any unwarranted barriers to innovative tariffs that are starting to emerge as a result the time-of-use functionality of AMI metering.	Begin implementing changes from 2016/17 review, which is due to finish in June 2017.	Low	NA	Med
E5	Reconciliation loss factor methodology	2	<p>The methodology is an industry guideline that prescribes how distribution losses should be calculated and managed for use in the reconciliation process.</p> <p>We will publish our intended approach to the monitoring of the use of the guidelines.</p>	We want to improve the accuracy of the reconciliation process through the more accurate determination of distribution losses.	Complete an analysis of the submissions and publish the finalised guidelines.	NA	NA	High

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
E6	Review of trader default arrangements for direct consumer participants	3	<p>The final part of implementing the new settlement and prudential security arrangements:</p> <ul style="list-style-type: none"> • Work with relevant networks (including Transpower) and direct consumer parties to ensure that disconnection provisions in the trader default arrangements can be fulfilled in a default event. • Consider any applications for a shortened post-default exit period. 	<p>We want to make sure the new settlement and prudential security regime works as intended when the Code was drafted.</p> <p>The Code provides for participants to apply to the Authority for a shortened post-default exit period.</p>	<p>Achieve assurance that the necessary disconnections are in place and practical, or identify and prepare draft "urgent Code changes" necessary to enable this assurance to be achieved.</p> <p>Consider and make decisions on any applications for a shortened post-default exit period.</p> <p>Review the post-default exit period provisions (this will only be undertaken once at least one application has been considered).</p>	High	NA	Low

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
E7	Livening and energisation guidelines	3	<p>This project is to complete participant guidelines for the livening and energisation of ICPs. The development of the guidelines was commenced under the project to implement the new Part 10 of the Code but was not completed as other projects had higher priority. Includes a review of terms throughout the Code in relation to connection and energisation.</p>	<p>We want relevant participants to understand their Code obligations for livening and energisation of ICPs. The guidelines are intended to increase compliance with the relevant areas of the Code.</p>	<p>Re-consultation on the amended guidelines.</p> <p>Finalise and publish the guidelines by June 2018.</p> <p>This timeframe is subject to successful completion of Code amendments related to Code definitions scheduled to go to the August 2017 Board meeting.</p>	NA	NA	High

Programme F: Compliance education

This programme includes initiatives to improve participant compliance with the Act, regulations and Code. This programme aligns with our *improve compliance* strategy.

Our compliance function plays an integral role in ensuring the integrity of the electricity market by enabling compliance by the industry with the Act, regulations and Code. We take a risk-based and proportionate approach to compliance.

We recognise that most industry participants want to meet their obligations voluntarily, or can be encouraged or induced to do so. We provide information, education and assistance. However, serious compliance matters are formally investigated and may be subject to enforcement action.

Project No.	Project	Priority	Description	Why we are doing this project	2017/18 target	Contribution to statutory objective		
						Competition	Reliability	Efficiency
F1	Information for participants (previously Participant education)	2	Provide easily accessible information for participants on the operation of the Code, the market, and market systems and processes.	We want participants to be able to get the information necessary to enter and participate in the market. This information needs to be accurate and easy to interpret.	Complete the development of the participant education web portal and make available publicly via the Authority website.	Low	NA	High

END