

9 October 2018

Submissions  
Electricity Authority  
PO Box 10041  
**WELLINGTON 6143**

**By email to:** [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

## **Upper South Island Distributed Generation Eligible for Avoided Cost of Transmission (ACOT) Payments**

Marlborough Lines welcomes the opportunity to comment on the “Draft list of distributed generation eligible to qualify to receive ACOT - Upper South Island - consultation paper”.

We agree with the analysis that DG is not required at the Blenheim GXP to achieve Grid Reliability Standards, (GRS).

We support the change in the Code made by the Authority that removes ML’s obligation to pay ACOT to DG connected on regulated terms from October 2019.

We note the policy and the resulting Code amendment has already been consulted on by the Authority, however choose to note a concern with the approach implemented.

We have some concerns about the methodology used to determine eligibility of DG for payments. In particular the approach taken implies if any DG is required to meet GRS at a GXP, then all DG connected to the GXP may become eligible. This approach potentially ignores important elements such as the ability of DG to be dispatched when required.

We submit that a future review of the policy and methodology should be undertaken to ensure that outcomes are meeting policy requirements particularly if a new Transmission Pricing Methodology is implemented.

Yours sincerely



Katherine Hume-Pike  
**Commercial Manager**