

Submission

Electricity Authority: Switch Process Review –
Issues with the ICP switching processes

13 November 2018



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1 Introduction

- 1.1 Aurora Energy welcomes the opportunity to submit on the Electricity Authority's (EA) consultation on "Switch Process Review – Issues with the ICP switching processes" (Consultation Paper).
- 1.2 No part of our submission is confidential and we are happy for it to be publicly released.
- 1.3 If the EA has any queries regarding this submission, please do not hesitate to contact:
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2 Issues associated with switching ICPs between distributor and embedded network owner

- 2.1 The Authority has identified issues that may be introducing operational inefficiencies and/or hindering competition as a result of switching ICPs between distributors.
- 2.2 We recently had an instance on our network which highlights a further issue that may be introducing operational inefficiencies as a result of switching ICPs between distributors and embedded network owners.
- 2.3 The Authority has rightly pointed out that "*If an ICP is switched between networks, the distributor-distributor switch process transfers the ICP identifier in the registry from the losing distributor's participant identifier to the gaining distributor's participant identifier*"¹.
- 2.4 What appears to be happening, in the case of a switch from a distributor to an embedded network owner, is that the participant identifier is not being updated to reflect the gaining embedded network owner's unique participant identifier. This can have the effect of a participant being under the impression that the losing distributor is the participant responsible for the ICP, when in fact it has been switched to the gaining embedded network owner.
- 2.5 We believe that remedying this inconsistency would eliminate confusion within the industry as to who is the responsible party after a switch of this type has taken place.

3 Backdating price category codes

- 3.1 We agree with the Authority that the Electricity Industry Participation Code 2010 (Code) does not permit a distributor to backdate changes to a price category code.
- 3.2 The Authority has set out in the Consultation Paper that if a price category code is backdated for an ICP, the trader responsible for that ICP faces the risk of being unable to pass on this backdated charge to the customer or embedded generator at the ICP². The Authority acknowledges, however, that price category codes may occasionally need to be backdated as part of ICP switching³.
- 3.3 Our view is that the Code should be amended to allow distributors to backdate price category codes if the trader responsible for the ICP has agreed to the code being backdated. This would enable the trader to:

¹ 2018. Electricity Authority; Switch Process Review – Issues with the ICP switching processes Issues paper to develop a proposal for future code amendment, para 3.14

² Ibid at 1, para 5.13

³ Ibid at 1, para 5.14

- agree in instances where it has the ability to pass on the related charges to consumers;
and
- withhold its agreement in instances where it cannot pass on those charges to consumers.