

17 December 2018

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

Fonterra Co-operative Group
Private Bag 885, Cambridge, New Zealand
Victoria Road, Hautapu, Cambridge, New Zealand
www.fonterra.com

(Submitted via email to submissions@ea.govt.nz)

To the Electricity Authority,

Re: Second Consultation Paper “Electricity Information Exchange Protocols”

Fonterra thanks the Electricity Authority for the opportunity to provide feedback on the second consultation paper, “Electricity Information Exchange Protocols” (*Consultation Paper*).

Fonterra supports this Consultation Paper in its objective to promote more efficient and reliable exchange of outage information between traders and distributors by standardising the system and procedures. As outlined below, Fonterra also believes that this standardisation might enable the implementation of new quality metrics around outage communication and accuracy of planning driven from the information stored in the registry.

Fonterra is a major electricity user and used approximately 1,100GWh of electricity (including on-site co-generation electricity) last season (1 August 2017 to 31 July 2018, aka FY18). Fonterra’s sites are located across New Zealand, resulting in Fonterra having relationships with 14 different electricity distribution businesses (*EDB’s*).

As milk is a perishable material it is critical that milk collected from the farms is processed as soon as possible. To this end, Fonterra sites typically work with their EDB to plan outage work outside of our peak processing months of August to November to minimise the risk of milk processing disruption. If timing of outages must occur during these peak months, then this engagement and early notice is critical to minimise the impact to milk processing at site.

Fonterra is a co-operative owned by approximately 10,500 dairy farmers located across New Zealand. It is even more critical to the dairy farmers that they receive notification of any outage with sufficient time to respond directly back to the EDB to schedule the outage outside of the twice daily milking periods. If the outage does coincide with milking, then communication of when power will be restored is important to ensure both animal welfare and product safety is met. For example, if an outage occurs after milking has been completed but before milk is collected, then notice of this to both farmer and Fonterra’s milk collection team is important as milk cannot be collected if the vat agitator is not operational. If this is not known, then a tanker could arrive at a farm with a power outage and not be able to collect the milk, which is inefficient and results in additional transport costs.

Fonterra notes that there is no current regulatory quality metric that measures the performance of retailers in the aspects of performance to reach all customers when communicating planned outages, as well as no quality metrics for the EDB regarding their performance in the accuracy of the outage period start and completion times, as well as their communication of updates during the outage. These are all important aspects to consumers when outages occur.

Fonterra also believes that there needs to be a quality metric around the number of planned outages to the same customers to drive co-ordination of work to minimise multiple planned outages which is more inconvenient than a single longer planned outage.

Fonterra encourages the Electricity Authority to consider such measures and impacts on end users within its current review.

Fonterra looks forward to further engagement on this topic and is willing to engage further regarding any of the points raised in this submission.

Yours sincerely,

Tony Oosten

Energy & Utilities Manager

Tony.Oosten@fonterra.com