



18 December 2018

Submissions
Electricity Authority
PO Box 10041
By email: submissions@ea.govt.nz

EIEP1 standardisation and EIEP5A delivery mechanism – Meridian submission

Meridian appreciates the opportunity to submit on the above paper.

Appendix A details our responses to specific consultation questions. Meridian in summary supports:

- Moving to standardise EIEP1 to a replacement RM normalised methodology, but with extended timeframes for implementation (1 April 2021 rather than 1 April 2020); and
- A mandated delivery mechanism for planned outage information, preferably in the form of a registry file replacement for EIEP5A (Option 4 from the Authority's paper).

Please contact me if you have any questions regarding this submission.

Yours sincerely

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Appendix A Responses to specific consultation questions

Question	Response
<p>Q1. Do you agree that in the interests of standardisation and efficiency we should mandate a single standardised EIEP 1 reporting methodology for trader to distributor files for NHH ICPS? If not, please provide reasons.</p>	<p>Yes.¹</p>
<p>Q2. If you agree that we should mandate a single standardised EIEP1 reporting methodology for trader to distributor files for NHH, do you agree that option 1 is the best option to implement? If not, please provide which of the Options 2 or 3 you prefer, and why?</p>	<p>Yes.</p> <p>While not currently used by Meridian, we agree with the Authority's assessment that replacement RM normalised method is the best fit for the industry more widely.</p>
<p>Q3. As a trader, if you cannot currently provide replacement RM normalised files, please advise the estimated cost and time required to do so.</p>	<p>Meridian currently has a platform migration underway that will enable the use of replacement RM normalised for billing purposes. We expect to complete this migration over the next three years (that is, by the end of 2020).</p> <p>As previously indicated, our systems presently only support As Billed and Incremental As Billed Normalised methodologies.²</p>
<p>Q4. As a distributor, if your current system does not have the capability to process replacement RM normalised files (including at least a month 3 replacement file), or you have not commenced developing the capability, please advise the estimated cost and time required to do so.</p>	<p>N/A.</p>

¹ Meridian, as a side note, questions whether the terminology 'NHH ICPS' - as the Authority describes the EIEP1 changes as pertaining to - should be adapted. With the prevalence of smart meters this could be mis-interpreted. Potentially 'residential consumers' could be used in substitute.

² Refer for further details Meridian's 'Operational Review of EIEPs' 22 September 2017 submission, available: <https://www.ea.govt.nz/dmsdocument/22551-meridian>

Question	Response
Q5. Do you have any comments on the draft mark ups (attached as Appendices A and B) to EIEP1 and EIEP2 reflecting each of the three options?	No.
Q6. If we decide to implement one of the options, do you agree with setting 1 April 2020 as the implementation date, subject to a minimum lead time of 12 months from when we issue the decision paper? If not, please advise what you consider to be a more appropriate implementation date and lead time and why.	<p>A 1 April 2020 implementation date is likely to be challenging for Meridian to meet, given the scale of the platform changes to be made in advance. 1 April 2021 is therefore preferable from Meridian's perspective.</p> <p>If 1 April 2020 were to be adopted, the cost of potential interim solutions for Meridian are likely to mean that a 12-month exemption will be pursued.</p> <p>At least 12 months lead time, post a decision being made, will be adequate from Meridian's perspective.</p>
Q7. Do you agree that in the interests of standardisation and efficiency we should mandate a delivery mechanism for EIEP5A planned service interruption information, instead of retaining the status quo? If not, please provide reasons.	Yes.

Question	Response
<p>Q8. If you agree that we should mandate a delivery mechanism, do you agree with our preferred option? If not, which of the Options 1, 2 or 4 do you prefer and why?</p>	<p>No – Meridian takes a different view to the Authority on a preferred delivery mechanism.</p> <p>Meridian’s first preference is for Option 4 – having a registry maintenance file made as the delivery channel. From our understanding of the consultation paper, this is the only option that incorporates centrally-performed validations of EIEP5A files. Building this step into internal processes or systems – as alternative options 1-3 appear to require – will create additional costs, in our view making these options less beneficial overall. Option 4 in addition avoids the complexities of ‘variant’ proposals 2 and 3, allowing for multiple delivery options. These complexities will complicate industry testing processes and introduce additional uncertainty more generally. It is not apparent in any case that Option 4 would preclude participants from choosing to process EIEP5A files manually if preferred – i.e. that Option 4 and Option 3 are in effect substitutes. Option 3 (the Authority’s preference) is not opposed by Meridian, however.</p> <p>By way of more detailed feedback on Option 4, Meridian would welcome more detailed information on the extent of the validation intended to be performed in the registry (invalid dates, date of outage before current date, for instance?).</p>
<p>Q9. If we mandated a delivery mechanism as for Options 1 to 4, what system costs would you incur? Please list the costs for each option.</p>	<p>From a systems change perspective, Option 4 will be the least costly for reasons outlined in our Q8 response. The costs for other options will be incrementally higher but are anticipated to be modest overall.</p>
<p>Q10. Do you have any comments on the draft mark ups of EIEP5A reflecting Options 1, 2, and 3?</p>	<p>No.</p>
<p>Q11. Do you have any comments on the draft registry functional specification?</p>	<p>See Q8 request for additional information on the extent of the validation to be performed in the registry under Option 4.</p>

Question	Response
Q12. If the proposal proceeds, we intend to provide web services for planned outage information. Would you prefer a new dedicated web services for planned outage information or a new version of icp_details with outage information appended? See Appendix C for further details.	Meridian would prefer a new, dedicated web service for planned outage information, as this ensures that existing implementations using the icpDetails website remain unaffected.
Q13. Do you have any comments on the draft Code changes proposed for Schedule 11.1 reflecting Option 4?	No.
Q14. Do you agree that six to 12 months is sufficient lead time from the time the decision is issued to implement the proposed solution? If not, please advise what you consider to be a more appropriate implementation date and lead time, and why.	Yes.
Q15. Do you agree with the costs and benefits of the proposed amendments? If not, why not?	Broadly yes, although please note our Q6 and Q8 responses outlining Meridian’s preferences, from a cost perspective for a longer (1 April 2021) EIEP1 implementation timeframe and a new registry file replacement for EIEP5A (Option 4).
Q16. What are your costs associated with making RM normalised the single standard reporting methodology for EIEP 1? Please provide details.	Refer Q6 response.
Q17. Are there any other costs or benefits we have not identified?	Please note our Q6 feedback regarding the reduced costs for Meridian from a 1 April 2021 implementation date and Option 4 of the Authority’s EIEP5A related proposals.
Q18. Do you agree with the objectives of the proposed amendment outweigh its costs? If not, why not?	Yes.
Q19. Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?	Yes.

Question	Response
Q20. 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.
Q21. If you prefer Option 4 over the other options, do you have any comments on the proposed Code drafting in Appendix D? If yes, please provide details.	No.