

17 December 2019

Submissions
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By email: submissions@ea.govt.nz

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Re: Discussion Paper - Issues with the ICP switching processes

Nova Energy (Nova) appreciates the continued intent of the Authority to improve switching processes.

Nova's administration team has provided responses to the Authority's questions in the attached appendix.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely



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Nova submission

Discussion Paper - Issues with the ICP switching processes

Q No.	Question	Response
1.	<p>General comments</p> <p>Which, if any, of the 29 issues raised in this paper do you consider should not be investigated further? Please give reasons.</p>	
2.	<p>Are there any issues not raised in this paper that you consider should be investigated? Please identify these other issues and give reasons why they should be investigated.</p>	
3.	<p>Do you consider the ICP switching processes set out in the Code, together with the amendments discussed in this paper, are likely to remain fit for purpose over the next 10 years? Please give reasons.</p>	<p>No. There are a number of changes in the industry currently under development and/or review, including multiple traders for one ICP. The current code and the proposed changes do not cover all future changes to the way electricity can or will be traded.</p>
4	<p>Should any alternative ICP switching processes be considered in the longer term? Please give reasons and outline an alternative.</p>	

Q No.	Question	Response
5.	Should the registry be modified to enable event maintenance to be conveyed via an API? Please give reasons.	
6.	Issue #1 Do you agree with the description of the issue? Please give reasons.	Yes, to an extent. While the effective date can be altered by the losing retailer, this is within a limited window of time relating to the switch and is not frequently done.
7.	How material is this issue?	As the switch must be completed within a few business days of the requested timeframe, the material impact is minimal.
8.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Option 2. As this would require less development to implement as it follows the same switching structure that already exists, while gaining the same efficiencies as Option 1
9.	Are there any advantages or disadvantages that are not included for each option?	Option 1 may not work with other solutions in this paper as they are built on the presumption that the losing retailer supplies the CS file.
10.	Are there any foreseen implementation issues?	Systems would need to be changed to support either option, but there would be less change to support option 2.
11.	Can you give an indication of cost and benefit?	Engagement with developers would be needed.
12.	Which, if any, options for changing the ICP switching processes do you consider	None

Q No.	Question	Response
	should be fast tracked?. Please give reasons.	
13.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.....	None
14.	Issue #3 Do you agree with the description of the issue? Please give reasons.	Yes
15.	How material is this issue?	As switch readings impact energy reconciliation, business costs and customer invoicing the issue is material to the industry.
16.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	3 & 6 4 & 6 Least prefer 1, 2 and 5
17.	Are there any advantages or disadvantages that are not included for each option?	Option 4 & 5 also support solutions for issues 5 and 15
18.	Are there any foreseen implementation issues?	Option 5 would require further system development to support the use of decimal places in more areas than switching.

Q No.	Question	Response
		All options will result in changes to customer billing processes as AMI sites will be unable to be billed until the MEP reading is imported
19.	Can you give an indication of cost and benefit?	Engagement with developers would be needed to update systems.
20.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	Option 6, as updating the code to clarify how and when to round will eliminate some of the RR process and ensure consistency in the industry
21.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	
22.	Issue #4 Do you agree with the description of the issue? Please give reasons.	Yes. There can be delays in receiving AMI meter readings from MEPs.
23.	How material is this issue?	As well as impacting customer invoicing, this information is also currently used to confirm switch gain reads and therefore has material impact on the industry.
24.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Option 1

Q No.	Question	Response
25.	Are there any advantages or disadvantages that are not included for each option?	MEP's would need to be included in the end-to end switching process not just notifications of NT. Otherwise if a switch is cancelled but the MEPs not notified then they will provide retailers with information they should not have access to. Due to switch cancellation rates there is risk that retailers will be provided with meter reading information they should not be privy to
26.	Are there any foreseen implementation issues?	No
27.	Can you give an indication of cost and benefit?	Costs would be to MEPs
28.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	
29.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	
30.	Issue #5 Do you agree with the description of the issue? Please give reasons.	Yes.

Q No.	Question	Response
31.	How material is this issue?	Addressing the issues raised will result in the reduction in the processing of RR files and reduce the amount of billing changes to customers post switch
32.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Options 1 & 2
33.	Are there any advantages or disadvantages that are not included for each option?	No
34.	Are there any foreseen implementation issues?	
35.	Can you give an indication of cost and benefit?	Engagement with developers would be needed to update systems. Benefits would be reduction in rework of switch reads and faster receipt of accurate reads for billing purposes.
36.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	
37.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	

Q No.	Question	Response
38.	Issue #6 Do you agree with the description of the issue? Please give reasons.	This impacts the EA and Government reporting of customers changes, rather than the exchange of ICPs between traders.
39.	How material is this issue?	Immaterial as this is reporting on internal billing changes.
40.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Option 2.
41.	Are there any advantages or disadvantages that are not included for each option?	Option 1 would result in additional switching files being created, sent to and stored by the Registry when there is no change in trader.
42.	Are there any foreseen implementation issues?	Reporting could result in false results with internal changes. Particularly commercial customers where they may have requested a billing change. Or a change in responsibility. e.g. moves from a joint account to individual due to a relationship change.
43.	Can you give an indication of cost and benefit?	Engagement with developers to support option 1 would be required.
44.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	None

Q No.	Question	Response
45.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	None
46.	Issue #7 Do you agree with the description of the issue? Please give reasons.	Yes. There are currently mass switches on the Registry that are not identifiable as such, especially when the switches occurred in the past.
47.	How material is this issue?	Immaterial
48.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Option 3
49.	Are there any advantages or disadvantages that are not included for each option?	Option 3 provides visibility to other traders that the switch was a result of a mass switch between retailers. This can be relevant when a trader who is not party to the mass switch has an agreement to begin supply to a customer on the same effective date as the mass switch. Switching rules can be built specific to this switch type independent of the rules for TR and MI types. i.e. the switch could be allowed to be backdated while not a MI.
50.	Are there any foreseen implementation issues?	System changes to allow for another switch type creation.

Q No.	Question	Response
51.	Can you give an indication of cost and benefit?	Engagement with developers would be required
52.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	None
53.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	None
54.	Issue #8 Do you agree with the description of the issue? Please give reasons.	Yes, the AN files are not meeting their intended purpose.
55.	How material is this issue?	Immaterial as AN information is not commonly used by traders.
56.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	
57.	Are there any advantages or disadvantages that are not included for each option?	

Q No.	Question	Response
58.	Are there any foreseen implementation issues?	
59.	Can you give an indication of cost and benefit?	There would be minimal benefit as the information contained in the AN files is largely unused and can at times not be accurate by the time the switch has completed. We would need to develop our system to support any changes to the way the AN files are currently managed.
60.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	None
61.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	None
62.	Issue #9 Do you agree with the description of the issue? Please give reasons.	Yes. The differing timeframes for different switch types seem unnecessary and add a level of complexity to understanding the switching requirements and timeframes that is not required
63.	How material is this issue?	Addressing this issue would increase compliance to switching timeframes so is material to the industry.

Q No.	Question	Response
64.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	NA
65.	Are there any advantages or disadvantages that are not included for each option?	No
66.	Are there any foreseen implementation issues?	No
67.	Can you give an indication of cost and benefit?	Benefits would be more consistent switching completion as well as compliance to timeframes.
68.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	Option 1
69.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	No
70.	Issue #10	Yes. There are a number of issues with the current switching processes that result in non-compliance for traders when correcting issues for customers or confusion on the intention of the cancellation codes amongst retailers.

Q No.	Question	Response
	Do you agree with the description of the issue? Please give reasons.	
71.	How material is this issue?	As this causes non-compliance for retailers, and delays in issues being resolved for customers this has a material impact on the industry.
72.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Options 2, 4 & 6
73.	Are there any advantages or disadvantages that are not included for each option?	<p>Option 3. Retailers would be required to build into their systems a mechanism to identify when the text fields in the Registry have been updated. Due to character limits and attachments for site investigation outcomes there would still be instances where information would need to be exchanged external to the Registry reducing the efficiencies this solution is designed for</p> <p>Option 5. In the instance that the gaining retailer has incorrectly put a NW on the Registry and requests the losing retailer to reject it, under this solution this would cause the losing retailer to breach.</p>
74.	Are there any foreseen implementation issues?	
75.	Can you give an indication of cost and benefit?	
76.	Which, if any, options for changing the ICP switching processes do you consider	Options 2, 4 and 6

Q No.	Question	Response
	should be fast tracked?. Please give reasons.	
77.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	
78.	Issue #13 Do you agree with the description of the issue? Please give reasons.	Yes. This affects the losing retailer's compliance to the code as well as impacting customer experience.
79.	How material is this issue?	Due to compliance and customer impacts this issue is material to the industry.
80.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	NA
81.	Are there any advantages or disadvantages that are not included for each option?	Increases the opportunity for the losing retailer to be compliant with the code.
82.	Are there any foreseen implementation issues?	A method for advising the Registry Manager with changes to the connection and gaining confirmation that the communication has been received would need to be developed.

Q No.	Question	Response
83.	Can you give an indication of cost and benefit?	
84.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	
85.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	
86.	Issue #15 Do you agree with the description of the issue? Please give reasons.	
87.	How material is this issue?	As this impacts customer invoicing as well as energy reconciliation this has material impact to the Industry
88.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Options 1,4,5 &7
89.	Are there any advantages or disadvantages that are not included for each option?	Option 4 is in alignment with solutions for issues 3 and 5

Q No.	Question	Response
90.	Are there any foreseen implementation issues?	Systems changes to support the RR process when initiated by the losing retailer as well as the gaining.
91.	Can you give an indication of cost and benefit?	
92.	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	Options 7 & 5
93.	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	
94.	Issue #17 Do you agree with the description of the issue? Please give reasons.	Yes.
95.	How material is this issue?	Instances where a retailer reconnects an ICP but does not take over the site have been observed. This leaves the current retailer with an ICP they were not aware had been reconnected, incurring costs with no customer to pass them on to, having significant material impact to retailers and energy reconciliation.

Q No.	Question	Response
96.	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	NA
97.	Are there any advantages or disadvantages that are not included for each option?	In the instances the switch does not complete, the current retailer is still responsible for the Registry updates reflecting the reconnection and disconnection. If an uncertified meter is reconnected this will reflect on the current retailers compliance when they did not reconnect the meter
98.	Are there any foreseen implementation issues?	MEP agreements may need to be updated to allow to disconnect an ICP reconnected by a retailer not on the Registry. Currently most retailers are not able to disconnect ICPs they are not responsible for. If the current retailer must disconnect again and pass this cost on to the new retailer there will be no Registry method to track the compliance of the new retailer conforming to their responsibilities and reimbursing those costs.
99.	Can you give an indication of cost and benefit?	No costs involved. Benefits include the reduction of costs of energy consumption of a reconnected ICP.
100	Which, if any, options for changing the ICP switching processes do you consider should be fast tracked?. Please give reasons.	
101	Which, if any, options for changing the ICP switching processes do you consider could be implemented using a combination of a fast-tracked option, followed by a more substantial change at a later time. Please give reasons.	

Q No.	Question	Response
102	<p>Issue #24</p> <p>Do you agree with the description of the issue? Please give reasons.</p>	
103	How material is this issue?	
104	Where there are multiple options, rank your preference for the options starting at 1 for preferred.	Option 2