

## Appendix B Format for submissions

<b>Submitter</b>	Malcolm Souness, Director, Data Refinery (221b Ltd)
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Questions	Comments
Q1. Do you agree the issue identified by the Authority is worthy of attention?	Yes
Q2. Do you agree with the objective of the Code amendment proposal? If not, why not?	Yes, however it is dependent on the accurate execution of the reconciliation process.
Q3. Do you agree with the Authority's 'minimum change' implementation approach?	Yes, however the HHR data should be aggregated by the Trader to reduce the volume of data submitted to the Reconciliation Manager function.
Q4. Do you agree the Authority has correctly identified the benefits and costs of the proposed amendment?	<p>The obvious benefit of this proposal is improved allocation efficiency. It would be expected to deliver a material reduction of estimated volume on the first reconciliation run for the trading month.</p> <p>Substantially reduced forward estimate volumes will further improve the accuracy of network billing, as retailers pass calendar month volumes via EIEP to electricity networks.</p> <p>The flow-on effect is that less processing overhead may be required for EIEP "wash-up" processing by both Retailers and Electricity Networks.</p>
Q5. Do you agree the benefits of the proposed amendment outweigh its costs?	The costs would be materially reduced if the HHR volumes provided to the Reconciliation Manager were aggregated at Network, NSP, Loss Factor, Flow Direction, Trading Period level (as currently supplied).
Q6. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option by reference to the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	My preferred approach is to maintain the existing HHR submission process where HHR volumes are aggregated by Traders and supplied to the Reconciliation Manager.
Q7. Do you agree the proposed amendment complies with sections 17(1) and 32(1) of the Electricity Industry Act 2010?	-

Q8. Do you have any comments on the drafting of the proposed Code amendments?

Updating 15.4 7 (3) to eliminate default volume of 40kWh per trading period for missed ICPs submitted is long overdue. This was one reason for maintaining NHH market submissions given the risk of receiving a penalty of 60MWh per HHR ICP per month for failure to submit volume against a specific NSP loss factor.

Traders may submit Half Hour Estimate volume to the Reconciliation Manager. This should be treated as NHH volume rather than profiled at the Traders discretion.

The upside from provision of individual ICP meter register data to the Reconciliation Manager is the ability to apply dynamic loss factors based on trading period demand. However, this adds further complexity to the reconciliation process, however it would improve the allocation efficiency and reduce UFE.

15.2 19 (2) allows Traders to “correct” and “validate” HHR readings where individual trading period data are unavailable. This is undertaken by defining a profile of the ICP’s volume and allocating the “total consumption” of that ICP across trading periods. In my opinion those “validated” readings across individual trading periods are at best an estimate and should be subject to profiling by the Reconciliation Manager.

Any attempt to reduce UFE will of course require the allocation of network losses to all market submission volumes. This has not always been the case for HHR submitted volume, and I suggest the allocation of HHR volume to submission volume ratio be regularly checked for each network, loss factor and submission profile code.

