Appendix B → Questions to assist submitters

* 1. You are welcome to comment on any matter relevant to the Authority’s proposal.
  2. We have posed questions throughout the consultation paper and appendices to help prompt responses to specific aspects of the proposal. These are repeated here.
  3. Please do not feel you need to limit your responses to the consultation questions or that you need to answer all of them. Please explain your answers in terms consistent with the Authority’s statutory objective in section 15 of the Electricity Industry Act 2010.

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| **The Authority welcomes feedback on any aspect of the proposals set out in this document, and comment, analysis and evidence on alternatives that would be consistent with the Guidelines and may better meet the Authority’s statutory objective. Without limiting the scope of feedback that we are seeking, we have set out some specific questions below.** | |
| **Chapter 2 A new TPM** | |
|  | Do you have any comments on the content of this chapter? |
| Response |  |
| **Chapter 3 Grid asset classification** | |
|  | Do you agree with the proposed approach to treat connection assets as interconnection assets for a limited time if the assets will ultimately be interconnection assets when fully commissioned?  Do you agree with the proposed reclassification power? Should there be any further conditions on Transpower’s use of this discretion?  Do you have any other feedback on Grid Asset Classification in the proposed TPM? |
| Response |  |
| **Chapter 4 Connection charges** | |
|  | Do you agree that the proposed TPM should specify that connection asset replacement values be regularly updated to promote cost-reflective charges and certainty?  Do you have any comment on the proposed approaches to address first mover disadvantage issues, including on:   * the proposed FAC mechanism for Type 1 FMD * the alternative option of an upper limit on application of the benefit-based approach for Type 2 FMD * the approach to applying ‘above-limit costs’ under this alternative option?   Do you have any other feedback on the proposed TPM in relation to connection charges? |
| Response |  |
| **Chapter 5 Benefit-based charges: allocation** | |
|  | Do you have any comment on the proposed standard and simple benefit-based allocation methods?  Do you have any comment or additional evidence on the proposed weighting of benefits between load and generation customers under the simple method, or with respect to the proposed review of the allocation? |
| Response |  |
| **Chapter 6 Benefit-based charges: covered costs** | |
|  | Do you have any comment on the proposed approach to covered costs, including on:   * whether overhead opex should be recovered through the BBC or residual charge, and any evidence to support your view? * the recovery of opex on fully depreciated assets through the residual charge? |
| Response |  |
| **Chapter 7 Residual charges** | |
|  | Do you have any comment on how the proposed TPM implements the residual charge provided for in the Guidelines?  Do you agree with the application of the residual charge to generation with embedded load, or can you suggest a better way to mitigate charge avoidance incentives and risk of an uneven playing field?  Do you have any comment on the proposed approach to application of the residual charge to battery storage to avoid double-counting of load? |
| Response |  |
| **Chapter 8 Adjustments** | |
|  | Do you agree with or have any other feedback on the proposed provisions for adjusting transmission charges?  The Authority welcomes feedback on any aspect discussed or proposed in this chapter, including whether:   * the proposed TPM should provide more detail on the method for determining new entrants’ benefits * the charges for a new entrant should be the same as an equivalent incumbent each year (as in the proposed TPM), on a whole-of-life basis as in the Guidelines * the proposed thresholds for ‘large’ and ‘substantial sustained’ change in grid use are appropriate * the connection of a distributor to a new (and additional) GXP and the upgrading of a transformer at a distributor’s GXP should be adjustment events * the plant disconnection provision should be extended to plant de-rating * the relevant provision should be further extended to cover a substantial sustained decrease in grid use not related to a plant disconnection or de-rating * the residual charge for a new entrant and an expanding customer should adjust with a lag and a gradual ramp-up, as proposed * the proposed ‘related entity’ provisions deal appropriately with avoidance concerns, and whether there is a case for a broader or more general ‘related entity’ provision to deal with other, potentially unforeseen, avoidance opportunities? |
| Response |  |
| **Chapter 9 Prudent discounts** | |
|  | Do you have any comments on the proposed PDP provisions? The Authority welcomes comment on any aspect of the proposal, including whether:   * Transpower should have to prepare a PD practice manual, and if so when, and should it be binding on Transpower * 15 years should be the default maximum period with a longer term possible on proof * prudent discounts should be funded via the residual charge and as appropriate the benefit-based charge * customers should be able to terminate a prudent discount agreement before the end date of the agreement? |
| Response |  |
| **Chapter 10 Transitional congestion charge** | |
|  | Do you have any feedback on the proposal not to include a TCC in the proposed TPM, for the reason that widespread risk of congestion from removing the RCPD charge is unlikely and that, if necessary, the grid owner and system operator have effective tools to manage the power system quickly and efficiently?  If not, how should a TCC be designed to be consistent with the Guidelines? Under what situations should it be applied and how should its size and allocation be determined? |
| Response |  |
| **Chapter 11 kvar charge** | |
|  | Do you have any comment on the proposal not to include a kVAr charge in the proposed TPM? |
| Response |  |
| **Chapter 12 Indicative prices** | |
|  | Do you have any comments on indicative pricing or the application of the transitional cap? |
| Response |  |
| **Chapter 13 Other provisions of the proposed TPM** | |
|  | Do you have any comment on or suggestions for the preliminary provisions cl1-18? |
| Response |  |
| **Chapter 14 Regulatory statement** | |
|  | Do you have any comments on the regulatory statement, or the assessment of wider factors? |
| Response |  |
| **Chapter 15 Next steps** | |
|  | Do you agree that 1 April 2023 is an appropriate commencement date for the proposed TPM?  Do you agree with the proposed transitional measure for any standard method investments for which allocation is not completed? |
| Response |  |
| **Appendix: Proposed TPM** | |
|  | Do you have any feedback that would improve the drafting of the proposed TPM? |
| Response |  |
| **Appendix: Cost benefit analysis** | |
|  | Do you have any comment on the cost benefit analysis? |
| Response |  |
| **Other** | Is there anything else in relation to the proposed Code amendment that you wish to comment on?  Do you have any other feedback on any other aspect of the proposed TPM? |
| Response |  |