



21st August 2020

Submissions
Electricity Authority
PO Box 10041
Wellington 6143

Via email: Part6hosting.Submissions@ea.govt.nz

Dear Sir / Madam

Integration of hosting capacity into Part 6 of the Code, sunset clause

Thank you for giving us the opportunity to provide feedback on the proposed changes to Part 6 of the Code that incorporates a sunset clause. In developing our submission, we have consulted with EEA members and the Electricity Networks Association.

We agree that the proposed changes to include a sunset clause allows time for industry to embed processes and the requirements of the updated AS/NZS 4777.2, 2020. However, the way the proposal is currently drafted is of concern, as once the expiry date is activated there is no clear guidance or standards for the industry to achieve. This has the potential to cause frustration between customers, installers and distributors.

EEA support the requirement for the changes to the code to achieve clearer rules for competition. However, the inclusion of an expiry date will have an adverse effect on reliable supply and customer experience if a review is not undertaken or there is no clear guidance/reference to AS/NZS 4777.2, 2020.

We strongly recommend that the Electricity authority;

- a) Remove the sunset clauses and include a formal review date, or
- b) Include the proposed AS/NZS 4777.2 (2020) as the technical standard that industry is to follow, or
- c) Include the proposed Practice Note as the requirements for applications to achieve.

Should you wish to further discuss or clarify any matters mentioned in this letter, please contact Sean McCready, Project Manager - Technical, at sean@eea.co.nz or Peter Berry, Executive Director, at peter@eea.co.nz or 04 4738 600.

Yours sincerely,

Peter Berry
Executive Director

Electricity Authority question		EEA Submission
1	Do you agree with the proposal to add an end date to the Code amendment previously consulted upon by the Authority, as described in this section? If not, why not?	<p>We do not support an expiry date, rather we would support a date by which a review must be completed.</p> <p>The way the proposal is currently drafted with the expiry of the clauses after 2025, we believe this creates a standards void, leaves customers, suppliers and organisations in limbo, and creates risks to network stability and market competition by remaining silent on the minimum standards required. If no standards there is no minimum for the quality of product and services.</p> <p>There is no confirmation or mechanism that a review will be undertaken, therefore at the expiry date there will be no requirement for;</p> <ol style="list-style-type: none"> 1) a distributor to publish maximum export power thresholds, 2) installing an inverter with a Volt-var or Volt watt setting, 3) an installer to confirm the control settings. <p>Volt-var and Volt watt control settings will be required into the future for a safe and secure network and for distributors to achieve regulatory obligations on voltage. There is a risk that with no control setting requirements, sub-optimal equipment could be installed will not enable competition, or support network stability, and cause quality/voltage issues that will result in customers equipment being tripped off due to voltage above 244V (for example).</p>
2	Do you agree the additional proposed amendment is preferable to the other option? 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	<p>EA should note that technology is changing at rapid speed and there is a current review of AS/NZS 4777.2 underway which will require voltage control settings in inverters.</p> <p>We disagree with the option selected. We agree a 'regular' review should be undertaken there will likely be emerging technology requiring monitoring, feedback and adjustments to connection standards.</p>

		<p>The statutory objective of the Electricity Authority is <i>“to promote competition in, reliable supply....”</i></p> <p>The inclusion of a sunset clause for control settings goes against the reliable supply objective. Control settings are required to maintain reliable supply to all customers and for customer equipment to remain connected. With the development of PV and its uptake in Australia - there are clear examples where the reliable supply has not been maintained due to poor standardisation of equipment and inverter controls, and problems in maintaining network standards to manage the volume and changing technology driving PV uptake.</p> <p>As an example, if there is a slow PV uptake in a particular region which then grows in 5 years' time there will be no requirement for control settings as the proposed changes are currently written. To maintain network voltage stability there will be a technical requirement to have maximum export thresholds, Volt-Watt, Volt -Var control settings. Without these settings there is risk that connection applications are not approved, network stability issues occur, or customers equipment keeps tripping off the network.</p> <p>There is currently no specific requirement in the code to meet the requirements in AS/NZS 4777.2 as minimum option to enable control requirements that will support competition, quality and security of supply.</p> <p>New technology may provide new methods to manage the voltage response, however inverter control settings will still be required.</p> <p>An additional suggestion would be to <u>include</u> the sunset clause in sections, 1.1 Interpretation and 6.3 (2)(db) and <u>remove</u> the sunset clauses from schedule 6.1 (2), section 9B (2A). This will provide for minimum technical settings to remain even if a review is not undertaken.</p>
3	<p>Are there any other options that you consider as preferable to the options discussed? If so, please provide details.</p>	<p>The EEA preferred option is leaving the clauses without an expiry date and provide reference to meeting the requirements of the Industry Practice note developed by the Electricity Authority or EEA or the proposed amended AS/NZS 4777.2.</p>
4	<p>Do you agree the Authority's proposed amendment complies with section 32(1) of the Act? If</p>	<p>Agree</p>

	you don't agree, please explain your reasons.	
5	Do you agree with the drafting of the proposed amendment? If not, why not?	We do not support the drafted proposed amendment and our reasons are detailed above.

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