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Electricity Authority
Level 7
ASB Bank Tower
2 Hunter Street
WELLINGTON

Trustpower Limited
Head Office
108 Durham Street
Tauranga
Postal Address:
Private Bag 12023
Tauranga Mail Centre
Tauranga 3143
F 0800 32 93 02
Offices in
Auckland
Wellington
Christchurch
Oamaru
Freephone
0800 87 87 87
trustpower.co.nz

By email: submissions@ea.govt.nz

TRUSTPOWER SUBMISSION: CODE REVIEW PROGRAMME NUMBER 4

1 Introduction and overview

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to provide a submission to the Electricity Authority (**the Authority**) on its *Code Review Programme Number 4 – September 2019* consultation paper (**the Consultation Paper**).
- 1.1.2 This Consultation Paper is an ‘omnibus’ proposal of changes to the Electricity Industry Participation Code (**the Code**). The Consultation Paper is proposing 13 changes to the Code, each discrete from the others.
- 1.1.3 Our answers to the specific questions posed in the Consultation Paper, on each of the Authority’s proposed Code amendments, are attached as Appendix A through M.

2 General comments on the omnibus Code review process

- 2.1.1 Trustpower recognises the Authority’s intention to provide industry participants with clarity around their Code obligations and improve the functions, and overall operation, of the electricity industry in New Zealand.
- 2.1.2 We are broadly supportive of the Authority’s approach of proposing typically small amendments to the Code that are minor and typographical in nature via an ‘omnibus’ proposal to achieve this intention, despite the absence of a common theme amongst the changes.
- 2.1.3 We wish to reinforce the point, however, that this omnibus approach is only suitable for minor and typographical changes to the Code. Amendments to the Code (which can include small changes) that could have a significant impact on the industry should be progressed through the Code change process separately to allow due consideration by all parties.
- 2.1.4 There is a risk with an omnibus change approach that small changes which can have major impacts on the industry get ‘swept through’ and not given due consideration by industry. We encourage the Authority to remain vigilant around ensuring all changes in an omnibus change are truly minor and typographical in nature.

3 Answers to questions posed by the Authority

3.1.1 Trustpower's answers to the questions posed by the Authority in the Consultation Paper are included in the appendices attached to this submission:

Appendix A: 2019-01 – Revised timeframe for distributors to change price category code information in the registry;

Appendix B: 2019-02 – Returning retail market share transparency at grid exit points (GXPs) to its former level;

Appendix C: 2019-03 – Requirement to provide complete and accurate information under Part 8;

Appendix D: 2019-04 – Improving the event of default provisions;

Appendix E: 2019-05 – Issues with the definition and use of Historical Estimates;

Appendix F: 2019-06 – Clarifying definition of Point of Connection;

Appendix G: 2019-07 – Clarifying definitions of Block Security Constraint and Station Security Constraint;

Appendix H: 2019-08 – Clarifying manner of providing final audit report and compliance plan;

Appendix I: 2019-09 – Clarifying use of “electricity supplied” in clause 15.8;

Appendix J: 2019-10 – Improving the process for converting secondary networks;

Appendix K: 2019-11 – Clarifying when obligations linked to clause 22 of Schedule 11.3 begin;

Appendix L: 2019-12 – Removing provision for supply shortage declarations to trigger payments under the Customer Compensation Scheme; and

Appendix M: 2019-13 – Broadening the definitions of Generating Unit and Intermittent Generating Station.

3.1.2 For any questions relating to the material in this submission, please contact Tom Kennerley, Advisor Strategy & Regulation on 027-810-3326.

Appendix A: Responses to consultation questions for 2019-01 – Revised timeframe for distributors to change price category code information in the registry

Reference	2019-01
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix B: Responses to consultation questions for 2019-02 – Returning retail market share transparency at GXP's to its former level

Reference	2019-02
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
No comment at this time.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
No comment at this time.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No comment at this time.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
No comment at this time.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

No comment at this time.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

No comment at this time.

Appendix C: Responses to consultation questions for 2019-03 – Requirement to provide complete and accurate information under Part 8

Reference	2019-03
<p>Question 1: Do you agree with the Authority's problem definition? If not, why not?</p>	
<p>No. All the necessary information, including supporting information and test reports/data, is supplied to the System Operator allowing them to run the system in accordance with the objectives set in the Code. The System Operator can, and does regularly, challenge asset owners on provision of this information.</p>	
<p>Question 2: Do you agree with the Authority's proposed solution? If not, why not?</p>	
<p>No, it is unnecessary. The System Operator already receives the information they need. The Authority has not provided any examples of where misinformation has either been supplied or withheld, and in doing so, proved a risk to the security of the system.</p>	
<p>Question 3: Do you have any comments on the Authority's proposed Code drafting?</p>	
<p>The Code drafting, even if it were accepted, does not eradicate uncertainty. For example, who is “any person” in the drafting and what “information” are they entitled to request. The wording needs to be much more specific; who can request the specific information, what information is needed, and why is this information needed?</p>	
<p>Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?</p>	
<p>No, the ability to ask for and receive information is there already. It unlikely that an asset owner would knowingly deliberately deceive the System Operator.</p>	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

There is no need for a change.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

We support the status quo being retained.

Appendix D: Responses to consultation questions for 2019-04 – Improving the event of default provisions

Reference	2019-04
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix E: Responses to consultation questions for 2019-05 – Issues with the definition and use of Historical Estimates

Reference	2019-05
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix F: Responses to consultation questions for 2019-06 – Clarifying definition of Point of Connection

Reference	2019-06
<p>Question 1: Do you agree with the Authority's problem definition? If not, why not?</p>	
<p>No, it is not the definition of point of connection (PoC) that is incorrect, it is the definition of the network that needs to be broadened. The PoC is where the networks connect, the fact that the network may be a single phase or three phase network is immaterial there is still a point where the two networks 'touch'.</p>	
<p>Question 2: Do you agree with the Authority's proposed solution? If not, why not?</p>	
<p>No, the change of the code is 'dancing on the head of a pin'. It is unnecessary and overly bureaucratic.</p>	
<p>Question 3: Do you have any comments on the Authority's proposed Code drafting?</p>	
<p>The Code change is unnecessary.</p>	
<p>Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?</p>	
<p>No, please refer above.</p>	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

We believe retaining the status quo is the best option for the reasons we have previously outlined.

Appendix G: Responses to consultation questions for 2019-07 – Clarifying definitions of Block Security Constraint and Station Security Constraint

Reference	2019-07
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix H: Responses to consultation questions for 2019-08 – Clarifying manner of providing final audit report and compliance plan

Reference	2019-08
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix I: Responses to consultation questions for 2019-09 – Clarifying use of “electricity supplied” in clause 15.8

Reference	2019-09
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix J: Responses to consultation questions for 2019-10 – Improving the process for converting secondary networks

Reference	2019-10
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
<p>We support the proposed change in the context that the Retailer should not ignore requests for conversion, but we strongly advocate that the trader’s agreement is required, as we are the participant that holds the relationship with our customers. We have concerns that property owners can use their landlord monopoly to pressure our customers into accepting changes that are not in the best interests of the consumer. The Authority needs to be mindful of this potential dynamic.</p>	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix K: Responses to consultation questions for 2019-11 – Clarifying when obligations linked to clause 22 of Schedule 11.3 begin

Reference	2019-11
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix L: Responses to consultation questions for 2019-12 – Removing provision for supply shortage declarations to trigger payments under the Customer Compensation Scheme

Reference	2019-12
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No.	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

Yes.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.

Appendix M: Responses to consultation questions for 2019-13 – Broadening the definitions of Generating Unit and Intermittent Generating Station

Reference	2019-13
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
Yes.	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
Yes.	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
<p>No. Generating unit is better defined with less words. For example: “Generating unit means equipment that produces electricity”. To further clarify, the Authority could consider adding “including, but not limited to, hydro, thermal, wind, solar and battery storage technologies”.</p>	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
Yes.	

Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?

No. There are no benefits, per se, for asset owners as a result of this Code change. It is just a 'technology catch up'.

Question 6: Do you agree the proposed amendment is preferable to the other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.

Yes.