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5 November 2019

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

By email: submissions@ea.govt.nz

Powerco submission on *Code Review Programme number 4*

Powerco appreciates the opportunity to comment on the Electricity Authority's consultation paper *Code Review Programme number 4* published in September 2019 (the consultation paper).

Powerco welcomes the Authority's efforts towards making continued improvements to the Electricity Industry Participation Code (the Code). We support most of the Authority's proposed amendments and believe that the proposed changes will improve the understanding and operation of the Code.¹

Our submission focuses on amendment *2019-06 - Clarifying definition of Point of Connection* because it is the one proposal we disagree with.

Attachment 1 provides our response to amendment 2019-06 by answering the questions in the consultation paper. If you have any questions on this submission, please contact Nathan Hill (Nathan.Hill@powerco.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read "AK".

Andrew Kerr
Regulatory and Pricing Strategy Manager

¹ Amendment 2019-06 is the only proposal we disagree with. We do not have a view on proposal 2019-02, 2019-07 and 2019-12 as these proposals are not particularly relevant to our role as an electricity distributor.

Attachment 1: Powerco’s response to the consultation paper questions

Table 1: 2019-06 - Clarifying definition of Point of Connection

Reference	2019-06
Question 1: Do you agree with the Authority's problem definition? If not, why not?	
<p>We disagree with the Authority’s problem definition because:</p> <ul style="list-style-type: none"> • The current definition of ‘point of connection’ has been in place for a long time without participants having interpretation issues • We are not aware of any recent or upcoming changes that would mean the current definition is no longer appropriate • The current definition is widely understood and consistent with standard electrical practice • The current definition is consistent with definitions in the Electricity Industry Act, relating to the point of connection and the point of supply • In our opinion, one participant querying the current definition is not enough evidence that a problem exists 	
Question 2: Do you agree with the Authority's proposed solution? If not, why not?	
<p>Powerco disagrees with the Authority’s proposed solution because:</p> <ul style="list-style-type: none"> • The proposed amendment will be inconsistent with the definitions of point of connection and the point of supply in the Electricity Industry Act. We expect this to create more uncertainty and consequently introduce costs for participants and consumers 	
Question 3: Do you have any comments on the Authority's proposed Code drafting?	
No comment	
Question 4: Do you agree with the objectives of the proposed amendment? If not, why not?	
No comment	
Question 5: Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?	
<p>Powerco does not agree that the benefits of the proposed amendment outweigh the costs. Why?</p> <ul style="list-style-type: none"> • We are not convinced that the current definition of ‘point of connection’ is creating, or is likely to create, costs or inefficiencies for participants so we consider that there is no benefit in amending the definition • The proposed amendment may create uncertainty/costs because it will be inconsistent with the definitions of point of connection and the point of supply in the Electricity Industry Act 	

- Distributors will incur costs adjusting to the change as they will need to update their documentation to ensure definitions are consistent with the proposed amendment

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.

Retaining the current definition of 'point of connection' is our preferred option because:

- The current definition is consistent with the Authority's statutory objective because, to the best of our knowledge, it does not create inefficiencies, delays or compliance costs
- The proposed amendment will introduce uncertainty and costs for no benefit to customers