

4 April 2023

Electricity Authority
Wellington 6011
By email: policyconsult@ea.govt.nz

ENA submission on the Electricity Authority's review of the consultation and feedback processes

The Electricity Networks Association (ENA) appreciates the opportunity to make a submission on the Electricity Authority's (Authority) review of its consultation and feedback processes. The ENA represents the 27 electricity distribution businesses (EDBs) in New Zealand (see Appendix A) which provide local and regional electricity networks.

While the consultation paper aims of best practice consultation and easier engagement with the Authority are laudable, ENA is concerned that the changes to the consultation charter remove an important tool for industry and interested parties to put forward specific Code changes to the Authority.

That said, ENA welcomes the Authority's efforts to become more transparent and streamlined in its consultation processes, and more engaged with industry. This transparency should include the implementation of its work programme including consultations, supported by timely and effective no-surprises engagement. Practically this could be delivered by the Authority continuing to publish a calendar of upcoming activities.

The Authority proposes updates to the Code amendment request process

The ENA has concerns about your proposal to update the Code amendment request (CAR) process. ENA's view is that the issue lies not with the prescribed CAR process, which is clear, transparent and well understood by industry, but rather with deficiencies in the Authority's resourcing and commitment to achieving timelines and objectives set out in its charter.

The ENA's first-hand experience with the CAR process is that the application process and documentation requirements are clear. However, the process and timelines for a response by the Authority are not met.

Your proposal to remove the CAR process and fold it into the Authority's overarching planning process neglects the detailed and specific nature of the Code change request put forward via the CAR process.

The formal assessment of every CAR should not be seen as a trivial time-consuming task that takes resources away from other work. It is, and should be, a core function of the Authority, and fundamental to ensuring the Code is fit for purpose. There's no better way of identifying potential issues with the Code, and the operation of the electricity industry, than participants and interested parties putting forward detailed amendments to address shortcomings in the Code.

Overseas precedent demonstrates the value of industry-proposed rule changes. The 2020 Australian Energy Market Commission (AEMC) rule changes on access, pricing and incentive arrangements for distributed energy resources demonstrate that significant and vital reform can be developed and put forward by parties other than the rule maker, shortening the implementation timeline and delivering long-term benefits for consumers. In this case, the proposal was developed jointly by a distribution business, St Vincent de Paul, The Total Environmental Centre and the Australian Council of Social Services¹.

The scope of CARs shouldn't be limited to basic Code maintenance to improve clarity, reduce ambiguity, or correct errors related to existing Code drafting or associated operational policy. To constrict the CAR process and force proponents of substantive Code changes to rely on the Authority's appropriations consultation process is inappropriate. The Authority's appropriation process doesn't offer specific work programme items, Code changes or deliverables, and is instead comprised of generalities that lack details proponents set out in their CARs.

Advisory groups' terms of reference and the EAAG

The existing advisory groups have served the Authority well and developed numerous proposals which the Authority has not had capacity to properly consider. In standing down the IPAG, the

¹ <https://www.aemc.gov.au/rule-changes/access-pricing-and-incentive-arrangements-distributed-energy-resources>

authority said that it would “enable Authority staff to specifically focus on delivering the work currently underway²”.

While the intent of the proposed Electricity Authority Advisory Group (EAAG) is laudable, it’s unclear how the ad hoc nature of this group would dovetail, without duplication, with the Authority’s formal consultation and decision-making process. It’s also unclear if the Authority would have any greater capability and capacity to respond to the input of the EAAG, than it has in managing output from the IPAG.

With regards to options put forward for the EAAG’s make-up, ENA recommends that option 2 be adopted, as it would provide the group with sufficient breadth of views without it becoming too large.

The proposal to amend the advisory group charter is appropriate. The terms of reference for non-SRC advisory groups should be clear, transparent and adaptable.

Finally, ENA doesn’t have an opinion on appropriateness of changes to the consulting process for system operator documents incorporated into the Code by reference.

If there is any further support ENA can provide in your consideration of this submission, contact me at 04 555 0074, keith@electricity.org.

Yours sincerely,



Keith Hutchinson
Regulatory Manager

² Minutes of IPAG Meeting number: 37, 23 June 2022, <https://www.ea.govt.nz/assets/dms-assets/30/Meeting-minutes-IPAG-37.pdf>