

21 March 2023

Submissions
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Via email policyconsult@ea.govt.nz

Tēnā koe,

Effective consultation processes are essential to the Electricity Authority delivering timely and informed decisions

Effective engagement in the Electricity Authority (EA) work programme will assist to achieve robust proposals and decisions. Powerco is one of Aotearoa's largest gas and electricity distributors, supplying around 340,000 (electricity) and 112,000 (gas) urban and rural homes and businesses in the North Island. These energy networks provide essential services and will be core to Aotearoa achieving a net-zero economy in 2050. We are active in the EA's consultation processes which are a crucial component to delivery of our services. Our summary views are:

- Use all the options**
 - We endorse the EA using a range of options to help make timely and informed decisions.
 - Setting out clear principles and expectations for good practice consultation is useful, including clarity on advisory groups, their role and operation.
- More transparency**
 - We support additional visibility of EA work programme and consultation activities for good practice engagement, and committing to this in the consultation charter.
 - We generally support the proposed new advisory group, though also support an ongoing role of focused technical advisory groups.

The attached table contains our comments on the proposed changes to the consultation charter and responses to the questions. If you have any questions regarding this submission or would like to discuss the points we have raised please contact Irene Clarke (Irene.Clarke@powerco.co.nz).

Nāku noa, nā,



Andrew Kerr
Head of Policy, Regulation, and Markets
POWERCO

Review of the consultation and feedback processes – Powerco response to Consultation paper

Question	Comment
Proposed changes to Consultation Charter (Appendix B)	
	<ul style="list-style-type: none"> • Powerco supports adding updates and plans for consultation requirements to the charter (new clause 6.8). For example, an additional principle to deliver this would be "work programme information including planned consultations will be provided in advance where practicable". • The EA has a strategic work programme and consults annually on this. As a levy funded organisation, we expect to see transparency in implementing the work programme including related consultation. This will support timely and effective engagement, no surprises, and aligns with a number of the new principles proposed to be added to the charter. As an example, Transpower has a programme for their TPM implementation which provides very beneficial pre-warning to stakeholders about consultation activities, and therefore ability to respond most effectively.¹ Another approach is to publish a calendar of upcoming activities, which a number of organisations in the energy sector do, and EA has done this in the past. • The principle about the right people having an opportunity to be heard (6.8a) should also acknowledge that it is also about the right opportunity, and adapting the engagement methods to ensure effective input of those particularly affected. As well as a consultation document or reaching out to particular stakeholders, other methods like workshops or Q&A sessions, may be beneficial both for EA and stakeholders. For example, with the current EA engagement on EDB regulatory settings, a workshop with planners and flex providers to hear about their decision process and what would be useful would provide important insight into effective regulation, rather than relying on detailed and extensive consultation questions focussed on the data that informs those decisions. • The principle around providing adequate information (6.8(b)) should refer back to the Code amendment principles in 4.1. Sharing the outcome of EA's consideration of the principles (in 4.1) would be good practice, as well as informing engagement and providing for more targeted responses. • We note that multi-stage consultations and cross-submissions are provided in new clause 6.8(f). We recommend a test to ensure this is limited to circumstances where it would genuinely add value rather than time/process. Whether amendments are complex does not necessarily link to the potential value-add. If an outcome is about sharing or testing views, there may be other mechanisms to achieve this rather than cross-submissions.

¹ Transpower example: [TPM consultation schedule](#)

Question	Comment
	<ul style="list-style-type: none"> Powerco supports clarifying and streamlining the categories of Code amendment requests as set out in clause 5.3 of the charter. We acknowledge the rationale for a separate category for Transpower suggestions. We note that other market participants may also have similar insight or may raise suggestions that do not fit easily into one of the 4 listed categories. Similar to Transpower, another industry participant may also be willing to do the analysis for a Code amendment rather than EA doing this. It would be useful for clause 5.3 to provide an additional option for Code amendment requests that do not easily fit into the listed categories to be progressed if there are particular circumstances for them to be prioritised.
<p>Establishing a new advisory group – Electricity Authority Advisory Group</p>	
<p>Q1 For your preferred option, do you prefer Option 1, Option 2, or Option 3?</p>	<ul style="list-style-type: none"> Option 2 with up to 15 members provides the best opportunity for wide representation, ability to set up effective subgroups, a group that is a workable size, and can co-opt if required representative of more specific aspects of work. Option 3 is not an advisory group but a large group of 30 individuals working on separate workstreams.
<p>Q2 Are there any key stakeholders that have been left out of these preferred options? Q3 Do you have any comments on the proposed membership? Q4 Do you have an alternative suggestion?</p>	<ul style="list-style-type: none"> The proposed group is widely representative of industry and consumers. We acknowledge the value of the advisory group providing consumer voices as well as market operation in reflecting EA's responsibilities. Advisory groups or working groups will also be required to deal with more technical subjects. For example, the MDAG and IPAG have provided significant input and value in strategic issues and options. It is not clear if they would be subgroups of EAAG, be advisory groups alongside it, or what their ongoing scope is. If this is subject to a separate review, we question why changes to the charter and Terms of Reference are being made now for the MDAG and IPAG.
<p>Proposed changes to Charter for Advisory Groups and Terms of Reference for Advisory Groups</p>	
<p>Q5 Do you have any comments on the proposed changes to the draft documents in Appendices C and D?</p>	<ul style="list-style-type: none"> Powerco acknowledges the benefit of a less rigid structure for advisory groups, and that some work will be done electronically. For example, we agree that monthly meetings not required. Meetings (which may be virtual) still provide an important opportunity for group discussion on specific workstreams. The group should be used for testing cross-sector issues and options as a group. Not as a means of receiving input from individual members in response to EA updates (para 5.19 of consultation paper suggests this). The changes to clause 6.2 of the charter and to the Terms of Reference relate to advisory groups generally and do not refer to EAAG or other advisory groups. It is not clear if EAAG will be the only advisory group, or if others will also operate. The names of all advisory groups, their purpose, membership and/or skills

Question	Comment
	<p>should be in these documents. We recommend that the charter set out the name/scope of all current or proposed advisory groups.</p> <ul style="list-style-type: none"> As noted, we support an ongoing role for MDAG and IPAG, at least until there is a separate review or they are replaced by other technical advisory groups. The charter and Terms of Reference setting out the scope of these advisory groups should be retained until that review is complete. We have valued the clear work programme, reporting, and engagement approach (eg leading workshops) of MDAG and IPAG. We encourage continued use of this model for EA advisory groups.
<p>Proposed Code changes for documents incorporated by reference</p>	
<p>Q6 Do you agree with the overall assessment of the Code amendment proposal?</p>	<ul style="list-style-type: none"> Powerco supports simplifying and streamlining processes for documents incorporated by reference. We have no further comment on the proposed Code amendment.