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Updating the Regulatory Settings for Distribution Networks

Submitter: Energy Trusts of New Zealand (ETNZ)

The recent events of cyclone Gabrielle and the Auckland flooding are timely reminders of the future impacts of climate change. In a decarbonised world customers will be even more dependent upon electricity to power their lives. There is a growing need for a discussion around the future levels of reliability and resilience expected of the electricity system so we can start to adapt. This should precede moves to incentivise greater uptake and use of DERs.

Our responses to the various questions raised in the issues paper reflect ETNZ's position as the industry association representing consumer-owned and community-owned energy trusts. Altogether, trusts own or partially own distribution companies serving around 54% of New Zealand's consumers, and controlling 57% of the industry's distribution assets (representing nearly 60% of the km of circuits involved).

Most of the Authority's questions are best addressed by EDBs that are more familiar with the issues involved. We have confined our responses to questions that either relate to ownership and governance priorities, including investment decisions, or that have a direct bearing on the consumers and communities that own our members.

Q1. Do you see value in commissioning two separate reviews to look into the merit and practicalities of implementing the recommendations of the UK's Energy Data Taskforce around unlocking the value of customer actions and assets and delivering interoperability in a New Zealand setting?

Comment: We agree that two separate reviews would be useful. An initial focus on 'quick wins' etc and a more detailed review of governance, practicalities etc. will assist submitters in focussing their resources.

Q2. Does this capture the key data needs for distributors to make informed business decisions that will unlock the potential of distributed energy resources (DER) for the

long-term benefit of consumers? If not, what data is missing and what would it be used for?

Comment: The outline given in the paper suggests that a great deal of useful data will be generated. However, the extreme climate events many parts of the country have been experiencing this year raise a number of additional issues:

- The resilience of existing and planned networks will need to be reviewed. Substantial further investment seems likely to be required, and the costs of this cannot be determined without additional research (which necessarily will be a priority for EDBs and their owners).
- Thought should probably be given to a reset of security standards (such as the n-1 provision frequently applied) especially in more vulnerable areas. This could have a significant impact on non-network solutions.
- Some DER options may be proving more (or less) subject to damage in the recent events. An investigation of this would be helpful, as would data from other countries with a history of surviving extreme events.

Q3. Do you agree with the prioritisation of the key data needs for distributors? If not, why not and how would you suggest the priority is changed?

Comment: We suspect that first priority should be given to the bulleted items in our response to Q2, especially while the experience of Cyclone Gabrielle is reasonably current.

Q8. Do you agree that this is an issue? If not, why not?
And
Q9. Should the Authority amend the Code to clarify that MEPs can contract directly and provide both ICP data to distributors (and flexibility traders) for permitted purposes? If not, why not?

We recognise the scope for MEPs to impede competition by restricting or delaying data access to distributors, where that data might be useful to flexibility suppliers and others either directly or because it could facilitate distributor actions that assist others (including by empowering consumers). Accordingly we agree that retailer permissions deserve early attention.

Q10. Should the DDA Data Template be updated to include Power Quality Data? If not, why not?

As representatives of consumers, trusts support timely access to power quality data for distributors. It is important for power buyers to be fully aware of the quality of the product they are paying for and distributors are usually better placed than

individual consumers to assess such data and to take corrective measures to improve quality where this is practical. Also, access to such data would improve distributors ability to explain to owners why additional investment may be required.

Q22. Are there any other issues preventing distributors from providing granular current and likely future congestion data?

The Part 4 regulatory regime and the Information Disclosure regime already create pressures to achieve defined performance standards, and it would be potentially costly (and possibly distortionary) to impose additional disclosure requirements without careful investigation.

If granular data etc. disclosures are required then it is important that scope is provided for exigencies to be accommodated. Distributors are the parties in the electricity supply chain most exposed to weather events and other supply disruptions. and can only use best endeavours in supplying congestion forecasts etc.

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