



28 February 2023

Issues Paper—Updating the Regulatory Settings for Distribution Networks

Electra Limited (Electra) welcomes the opportunity to submit to the Electricity Authority's, *Issues paper: Updating the Regulatory Settings for Distribution Networks*, December 2022 (the Issues Paper). Nothing in this submission is confidential.

This submission focuses on equal access to data and information. Appendix A includes answers to questions 1 to 14 in the Authority's preferred format. Our views on the other 38 questions are represented by the Electricity Networks Association's (ENA) submission to the Issues Paper.

Data access is equally important to distributors and flexibility traders

We agree with the Authority that flexibility traders will likely require access to granular congestion, consumption data, and power quality data to participate in the electricity market. On our network, congestion data is available at the high voltage (HV) feeder level, and we are open to sharing that data with flexibility traders. Like many EDBs, we have commenced a programme of works to obtain power quality, consumption and congestion data at LV at the distribution transformer level. This data has been obtained at a considerable cost in the absence of distributor-owned smart meters. We are open to sharing this data with flexibility traders provided we are not in breach of contract by doing so. It is our understanding that granular-level data must be attained from MEPs with the permission of Traders, and we are prohibited from providing data that we obtained from an MEP with other parties.

In light of this, it is unreasonable for the Authority to assert that distributors act as data gatekeepers. Accordingly, we disagree with the Authority that—

'There should be an incentive for distributors to share this information as it could lead to solutions being proposed to their problems, but on the other hand there could be a disincentive if the distributor considers a flexibility trader might use that congestion data to provide services in direct competition with a distributor-owned business.'¹

¹ The Issues Paper, paragraph 4.72.

We do not require an incentive to share congestion data with flexibility traders. We are not disincentivised to share the network information with any party approaching us with non-network solutions. Distributors and flexibility traders need the Authority's support to remove the fundamental barriers to accessing data.

Trader permission is a barrier to data access

Accessing data requires distributors and flexibility traders to secure the permission of Traders. In the Issues Paper, the Authority acknowledges the Trader's position that permission is needed as ICP data may be 'personal information' as defined by the Privacy Act and that as a 'regulated agency,' the Trader needs to understand what the data is being used for to ensure that they have complied with the Information Privacy Principle (IPP).²

ICP Data, in itself, does not give any information we can use to identify an individual. ICP Data can, however, tell us a lot about a connection, including:

- real-time functions such as connectivity status that would improve the Distributors ability to predict the location of the fault, the management of the fault and improve the overall customer service; and
- network management functions such as more accurate management of connection headroom, power quality metrics, calculating network losses, assessing small-scale distributed generation (i.e., solar at 10 kW or less), reducing the costs to serve and reducing the time to quote and time to connect.

In the Issues Paper, the Authority succinctly identifies the underlying reason distributors and other parties have struggled to access data—

'...it is possible that distributors and flexibility traders will get access to the data they need from MEPs and retailers...However, this might not happen soon enough given that there is no commercial incentive for retailers to share this information...In fact, there is a disincentive if a retailer considers that the data might be used to compete with it for certain services.'³

We consider the Authority's proposed solution is a workable solution to the ongoing data access problem—

'...prioritising amending the Code to clarify that MEPs must contract directly with and provide both Consumption Data and Power Quality Data to distributors and flexibility traders for a set of permitted purposes, i.e. without the need for retailer permission.'⁴

We strongly support the proposed Code amendment to allow MEPs to release information to market participants without having to seek the permission of Traders. Further, we encourage the Authority to prioritise the Code amendment.

Access to ICP Data offers long-term consumer benefits

We use ICP Data to inform the management of our network. ICP Data is essential to informing the growth of our network, including for the connection of DER. ICP data access presents significant consumer benefits, including lowering our service costs. For example, access to ICP Data could expedite new connections, especially residential solar connections, and support predictive analytics.

² The Issues Paper, paragraph 4.86(b).

³ The Issues Paper, paragraph 4.70.

⁴ The issues Paper, paragraph 4.89.

When we receive a small-scale solar application, we would like access to the ICP Data for that part of our network to assess whether we can support the export of small-scale solar at the connection. Without ICP Data, we base the application on conservative engineering ‘rule of thumb’ principles. If we had the ICP Data, we could make our assessment on more rigorous assumptions and run closer to our hosting limits, thereby reducing the cost to serve over the long term. Unfortunately, we do not generally request ICP Data to assess the application because of the bureaucracy required and the cost of obtaining the data. We could assess all small-scale solar applications without caution if the barriers were removed and we had equal access to ICP Data.

Equal access to data would also support us in using more sophisticated predictive analytics as part of our business-as-usual processes. We use predictive analytics to inform our growth scenarios. ICP Data would enable us to predict target growth on our LV network better than anonymised high-level data does. Adding sophistication to our models increases modelling confidence and often reduces conservative engineering assumptions, lowering our costs to serve in the long term.

Different data access prioritisation is unworkable

We support the Authority’s principle of equal access. However, we do not support the different prioritisation of data access between distributors and flexibility traders. In the Issues Paper, the Authority has assessed the access to data as a high priority – 1-3 years for flexibility traders, but only a medium priority – 3-7 years for distributors. These inconsistent priorities are not workable.

Distributors must work closely with flexible traders to ensure they have the information to inform investment in efficient non-network solutions. Efficient investment means the right solution at the right time on the right part of the network. Investment by flexibility traders is not a means to an end itself, and inefficient investment is likely to cause more network problems resulting in higher costs to serve.

Vital to driving efficient investment is a workable relationship between distributors and flexibility traders, and the foundation of that relationship will be equal access to data. Prioritising flexibility traders to have access to data before distributors puts ‘the cart before the horse’, risking investment in inefficient non-network solutions. We recommend that the Authority give the same priority to data access to distributors and flexibility traders, that being a high priority – 1-3 years.

Data should be provided at no more than incremental cost

In its Issues Paper, the Authority clarifies that the requirement for data to be provided at ‘reasonable costs’ in clause 6 of the Data Template extends to MEPs —

‘The distributor must pay the Trader’s or the Trader’s Metering Equipment Provider’s reasonable costs incurred in supplying any information requested under clause 2.’⁵

And further clarifies that ‘reasonable costs’ would also apply to MEPs providing Consumption Data, noting that while at this stage, clause 6 does not apply to Power Quality Data, expanding the ‘reasonable costs’ requirement to Power Quality Data might be required in the future.

We are of the view that the term ‘reasonable costs’ is ambiguous and subjective. Quotes we have received have been upward of \$1.00 for basic consumption data and \$2.00 for Power

⁵ The issues Paper, paragraph 4.84(c).

Quality data per ICP per annum. These charges may be deemed ‘reasonable’ to the Trader or MEP but, in our view, are unreasonable.

Ultimately, distributors will pass on the costs of access to data to consumers. Accordingly, it is in the long-term best interests of consumers that the data is provided at the least cost. We are of the view that incremental costs⁶ better represent the least costs than recoverable costs do.

MEPs collect ICP data for and on behalf of the retailer via their metering agreements⁷. Therefore, the cost to the MEP of providing the same data to distributors and flexibility traders is incremental. Consumers should only bear the additional cost of providing the data to distributors and flexibility traders and no more.

MEPs recovering the incremental cost of a distributor’s or flexibility trader’s data request is fair and reasonable; MEPs recovering more than the incremental cost is not and could be deemed profit-seeking.

Closing comments

The Authority’s Issues Paper is a comprehensive discussion of the issues raised in its July 2021 Discussions Paper⁸ and submissions to that paper. We have chosen a targeted submission with a focus on access to data. We have submitted the problem of access to data at several consultations and feel that the Issues Paper is the first real recognition of the problem.

We hope the Authority finds our submission helpful in forming its final views. Please contact me to discuss our views further.

Yours sincerely



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⁶ Incremental costs are defined as the cost added by producing one additional unit of a product or service.

⁷ The Issues Paper, paragraph 4.96(a).

⁸ Electricity Authority, Updating the Regulatory Settings for Distribution Networks, Improving competition and supporting a low emission economy, Discussion Paper, July 2021.

Appendix A — Submission in the EA’s preferred format

Submitter	Electra Limited
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Question	Comment
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?	No. While the learnings from the UK Energy Data Taskforce might help inform the scope of a New Zealand review, the context in which the Taskforce made its recommendations is likely inconsistent.
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?	Largely yes. The key data needs described in the Issues Paper are a good start, but not where the Authority should stop. We discuss our views on key data needs in more depth on page 1.
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?	We agree with prioritising the key data needs for distributors but disagree with the Authority’s assessment that data access is a medium priority – within the next 3-7 years ⁹ . We are of the view that data access should be a high priority – within the next 1-3 years. Data access is a foundation issue that must be addressed.

⁹ The issues paper, paragraph 4.58.

Question	Comment
	We also disagree with the Authority’s assertion that real-time data is less of a priority given the low levels of DER uptake ¹⁰ . The danger of not putting a timeframe on the need for real-time data is that the issue will remain unresolved indefinitely.
Q4. Does this capture the key data needs for flexibility traders to make informed business decisions that will unlock the potential of DER for the long-term benefit of consumers? If not, what is missing and what would the data be used for?	No comment, as we don’t specifically understand the data needs for flexibility traders.
Q5. Do you agree with the prioritisation of the key data needs for flexibility traders? If not, why not?	Yes, we agree that the prioritisation for access to data is high – within 1-3 years. However, we do not agree with the Authority assigning a higher priority for the same issue to flexibility traders than distributors. We are of the view that the priority should be the same. As discussed above, in Q3, we view access to data as a foundation issue. Accordingly, we support equal access to data, and differing prioritisation between parties is not, in our view, equal access.
Q6. Do you agree that the Authority should amend the Data Template to address the above issues to improve its workability? If not, why not?	Yes.
Q7. Are there other changes to the Data Template that would improve it and assist it to be a useful mechanism for open access to data?	<p>Workability might be further enhanced by:</p> <ul style="list-style-type: none"> • digitalising the template so that submission and assessments can be streamlined • implementing an Authority supported platform • register of data requests.
Q8. Do you agree that this is an issue? If not, why not?	Yes. Contractual agreements between MEPs and Traders have proven a barrier to attaining information directly from MEPs.

¹⁰ The issues paper, paragraph 4.61.

Question	Comment
<p>Q9. Should the Authority amend the Code to clarify that MEPs must contract directly with distributors and flexibility traders to provide ICP data for permitted purposes? If not, why not?</p>	<p>Yes. A Code change would override contractual barriers to data access and make the process quicker, easier, and cheaper.</p>
<p>Q10. Should the DDA Data Template be updated to include Power Quality Data? If not, why not?</p>	<p>Yes. Power Quality Data informs our network management practices.</p>
<p>Q11. Do you think that the transaction costs associated with negotiating the terms of access to ICP data held by MEPs is a problem that the Authority should prioritise? If no, why not? If yes, do you think there is merit in developing a default template to help reduce transaction costs?</p>	<p>Yes. As discussed above, we are of the view that the cost to access data should be at no more than incremental cost. We understand that the Data Template is the default template for data requests, in which case improvements to the template are discussed in questions 6 and 7 above. If, however, by ‘default template’, the Authority suggests that the MEPs be subject to a default agreement similar to the default distributor agreement (DDA), we do not support such a move. In our experience, the DDA did not reduce costs but introduced costs.</p>
<p>Q12. Do you agree that MEP pricing for ICP data (including Power Quality Data) and related data services is reasonable at this stage? If not, why not?</p>	<p>No. As discussed above, we believe that MEPs are charging above incremental costs and are profit maximising. We agree with IPAG that-</p> <p style="padding-left: 40px;">‘...the MEP services market has significant monopoly elements that cannot be overcome by commercial pressures alone and that some existing contracts may inhibit competition by restricting access to services.’¹¹</p> <p>We are surprised by the Authority’s position that there is no evidence of unreasonable pricing in the provision of ICP data.¹² This position demonstrates the subjectivity of ‘reasonable’, the</p>

¹¹ The Issues Paper, paragraph 4.100.

¹² The Issues Paper, paragraphs 4.97 and 4.98.

Question	Comment
	<p>Authority may consider charges of between approximately \$47,000 and \$95,000 per year for an EDB with 47,000 ICPs to access to existing data reasonable, but we do not.</p>
<p>Q13. Do you agree that MEP pricing for the provision of ICP data to distributors (and other parties) could be more transparent? If not, why not?</p>	<p>Yes. An incremental cost approach would require MEPs to demonstrate that their prices are no more than the additional cost of providing the data requested.</p>
<p>Q14. To support the transparency of pricing, standardisation, and equal access to data, do you think that the Authority should consider further implementing IPAG’s Input Services recommendation that MEPs publish standard ‘pay-as-you-go’ terms open to all parties? If yes, why, and what do you think this could cover? If not, why not?</p>	<p>Yes.</p> <p>We support IPAG’s recommendation that-</p> <p style="padding-left: 40px;">‘...MEPs be required to publish standard ‘pay-as-you-go’ terms open to all parties, which would include service schedules, terms and conditions, and pricing that allows costs for any given ICP to be determined.’¹³</p> <p>As discussed above, we consider ‘equal access’ to mean that the priority assigned to solve the data access problem is the same for distributors as it is for flexibility traders, i.e., high priority- within the next 1-3 years.</p>

¹³ The Issues Paper, paragraph 4.99.