

15/03/2023



Electricity Authority  
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Tēnā koutou,

## UPDATING THE REGULATORY SETTINGS FOR DISTRIBUTION NETWORKS

1. Unison Networks Limited (**Unison**) and Centralines Limited (**Centralines**) appreciate the Electricity Authority's consultation on the right regulatory steps forward to support innovation, promote competition and consumer choice in contestable markets.
2. As the Authority will understand, Cyclone Gabrielle has had a significant impact on Hawke's Bay electricity networks and managing the emergency response and recovery is the continued focus for the businesses. Unison and Centralines apologise that this submission is late.
3. In response to the issues paper, Unison and Centralines wish to support the Authority's intention to regulate MEPs providing electricity distributors and flexibility traders data.<sup>1</sup> Unison and Centralines consider this is a high priority issue needing urgent reform.<sup>2</sup>
4. Unison and Centralines are concerned with the outcomes of recent negotiations with MEPs that reflect that:
  - a. *"Reasonable costs incurred in supplying the data"* are charged by retailers who pass on the data to distributors direct.
  - b. However, direct negotiations between distributors and MEPs (where the retailer refers the distributor to their MEPs) can result in attempts to charge inflated costs that are unreasonable, and clearly go beyond the *"reasonable costs incurred in supplying the data"*. MEPs are attempting to recover significantly more for the data (over 1000% more per ICP than retailers).

<sup>1</sup> Issues paper Updating the Regulatory Settings for Distribution Networks (**Issues paper**), pg 16.

<sup>2</sup> Unison and Centralines agree with the Authority's consideration that the most pressing need in the short term is to improve the visibility of the low-voltage (LV) network and improve access to smart meter data; and that this to be a key step to reaching a fully digitised energy system.

- c. Once their meters are deployed, MEPs enjoy a de facto monopoly. The distributor has no direct relationship with the customer to influence decisions about MEP providers.
  - d. Distributors rely on retailers to find a solution that works for each stakeholder in the interdependent system, which is an uncomfortable position.
  - e. Fit-for-purpose regulation of consumption data will drive:
    - i. better consumer outcomes;
    - ii. a digitalised energy system that enables distributors to make the most efficient network decisions; and
    - iii. the participation of flexibility traders in a fair market.
  - f. Resilience and emergency management decisions will benefit from consumption data (substantiating evidence to ensure decisions respond to consumer behaviour).
5. Unison and Centralines strongly support the implementation of fit-for-purpose regulation of consumption data for the ultimate benefit of the consumer. This must remain an immediate priority with a one-year maximum timeframe, noting the increasing cost and demand pressures on distributors.

Ngā mihi



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**REGULATORY MANAGER**