



Submission by Genesis Energy Limited

ON

Updating the Regulatory Settings for Distribution Networks

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17 March 2023

To: Electricity Authority

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Updating the Regulatory Settings for Distribution Networks

Genesis Energy (**Genesis**) welcomes the opportunity to respond to the Ministry for the Environment's consultation on *Issues paper: Updating the Regulatory Settings for Distribution Networks* dated December 2022.

Genesis broadly supports the Authority's categorisation of issues and proposed prioritisation set out in the paper.

We have reviewed and support the Electricity Retailers Association of New Zealand's (**ERANZ**) submission on the paper. We set out some additional observations and suggestions to relevant questions in the issues paper in the Schedule.

Please contact me should you have queries or wish to discuss our submission further.

Yours sincerely,



Warwick Williams

Senior Regulatory Counsel & Group Insurance Manager

Schedule – Response to Questions

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?	Yes.
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?	<p>We support the codification of the ERANZ/ENA variation. We have included in Appendix 2 a markup that reflects the ERANZ/ENA wording, and improvements that were identified subsequently.</p> <p>We query the rationale for direct provision by MEPs set out in paragraph 4.84(b) of the paper given that information is already provided in a uniform file format (EIE3P).</p> <p>That said, we support initiatives to improve accessibility and efficiency provided that sufficient safeguards are in place to protect the providers and owners of that information. These include ensuring that: (1) the information is used solely for the permitted purposes; (2) Privacy Act obligations are complied with; (3) information is kept confidential and secure; (4) retailers and customers are indemnified for any breach.</p>
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 do not have concerns provided that the appropriate safeguards are in place. Please see our response to Q6.
Q10. Should the DDA Data Template be updated to include Power Quality Data? If not, why not?	Standardised terms for the provision of Power Quality Data would be more efficient and effective for the same reasons that the DDA and the Data Template were developed. However, it is not clear that the Data Template is the appropriate place for this. A template agreement between the distributor (or flexibility trader) and the MEP may be a more efficient approach (provided the appropriate safeguards are in place to protect consumers and retailers as discussed in our response to Q6). This need not take long or be costly, if the DDA Data Template with appropriate modification is used as a base.
Q11. Do you think that the transaction costs associated with negotiating access to MEPs is a problem that the Authority should prioritise? If no, why not? If yes, do you think there is merit in developing a template to develop a	Please see our response to Q10.

default template to help reduce transaction costs?	
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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?	Yes.
Q18.	Do you agree that access to 'real-time' consumption and Power Quality Data won't be needed for at least five years?	This is unclear. Facilitating earlier access may support competition and development of the market.
Q19.	Do you agree that flexibility traders' access to ICP data must be improved so they have the same level of access as distributors (and retailers), with whom they might be competing to provide contestable services? If not, why not?	Yes, subject to the obligation to ensure the security and proper use of that information as discussed in our response to Q6 and Q10. Improving access should facilitate competition, the development of new products and the market for contestable services.
Q20.	Do you think the Authority should prioritise modifying the Data Template, so that flexibility traders can use it, or should the Authority prioritise amending the Code to clarify that MEPS must provide ICP data directly to flexibility traders and distributors for a set of permitted purposes without the need for retailer permission? If neither, please explain why.	The DDA Data Template flows from the DDA, and is intended to facilitate the provision of data between the parties to the DDA. As the flexibility trader is not party to the DDA and requires the information for different purposes, a template agreement between the flexibility trader and the MEP may be the more appropriate and efficient approach (provided that safeguards are in place to protect consumers and retailers as discussed in our response to Q6).
Q27.	Do you agree that flexibility trader access to real-time congestion and ICP data won't be needed for at least five years?	This is unclear. Earlier access may facilitate competition and the development of the market.
Q31.	What are your views on the three options presented above, to deal with Issue 1 (that distributors might prefer network investments to NNS)? What alternative option/s would you favour, if any?	We support Option 3 and ask that the Authority publish the result of the Authority's reviews (we suggest quarterly). This should not be onerous since a rational distributor could be expected to have explored the relevant NNS as the counterfactual to a NS.
Q32.	Do you agree with the tentatively preferred intervention to deal with Issue 2 (Option 3: encourage standing offers) and the collection and monitoring of information proposed under Option 4? If not, what alternative option/s would you favour, if any?	We support Option 3. The transparency (price/capacity signals) this would provide would facilitate market development and tailored proposals. We also support Option 4 but consider that the Authority <u>should</u> publish the results of its monitoring and analysis to the market. This would: <ul style="list-style-type: none"> (1) Be consistent with the approach taken by the Authority regarding monitoring

	<p>competition in the wholesale market and compliance with the trading conduct rules.</p> <p>(2) Provide the Authority a dataset to help inform decisions, including whether other regulatory intervention (i.e. Option 5) is required.</p> <p>We suggest quarterly reporting.</p>
<p>Q33. Do you think there are circumstances in which the Authority should extend the arm's length rules? If not, why not?</p>	<p>Yes.</p>
<p>Q34. Do you agree with the Authority that Option 1 should be implemented, and that Option 2 could be considered in the event of allegations of, or instances of anti-competitive harm in contestable markets (Issue 3)? If not, what alternative option/s would you favour, if any?</p>	<p>Yes, although we suggest that rather than "considering" Option 2, the option should be implemented if anti-competitive practices are substantiated.</p>