
Cross-submission
**Targeted Reform of Distribution Pricing – Issues
Paper**

30 August 2023



1 Introduction

- 1.1 Aurora Energy welcomes the opportunity to cross-submit on the Electricity Authority's (the Authority's) Targeted Reform of Distribution Pricing – Issues Paper.
- 1.2 No part of our cross-submission is confidential.

2 General Comments

- 2.1 Having reviewed the submissions received by the Authority on the Issues Paper, our views expressed in our submission on 15 August 2023 remain unchanged.
- 2.2 While we generally support several views expressed by other submitters, there are some views which we would like to comment on in this cross-submission.

3 Distribution Pricing Regulatory Options

Maintaining the distinction between collaboration and call-ins.

- 3.1 In response to the Authority's questions about regulatory options, some Electricity Distribution Businesses (EDBs) have suggested a fourth option, which involves collaboration between EDBs and the Authority. This is a reasonable suggestion on the face of it, but collaboration needs to be amongst the willing. The Authority should be cautious about the fine line that separates 'call-ins' from 'collaboration'. It's crucial for the Authority and EDBs to engage in collaboration voluntarily, rather than under compulsion. We want to ensure that this collaborative approach doesn't inadvertently shift into a scenario where the Authority imposes participation on EDBs.
- 3.2 We reiterate the comments made in our initial submission that the Authority should prioritise enhancing the existing scorecard system. This can be achieved by committing to consistent publication schedules for the scorecards and increasing transparency about the assessment criteria. As the scorecards become an established benchmark, this will highlight the areas that would benefit most from collaboration between the Authority and EDBs.

4 Retailer Response

Peak period price signals may be undermined by retailer offerings.

- 4.1 We agree with Powerco's submission that regardless of how EDBs manage the variations in peak and off-peak pricing, the effectiveness of their pricing signals can be significantly impacted if retailers are providing products that don't align with the offerings of EDBs.
- 4.2 To further illustrate, consider the following example of a retailer's pricing plan which is causing new peaks to emerge between 9 pm and 12 am. This scenario emphasises that even a well-designed pricing signal from an EDB may be undermined if retail offerings determined at a national level are not aligned to the EDB's specific network constraints.

Three Phase Loads

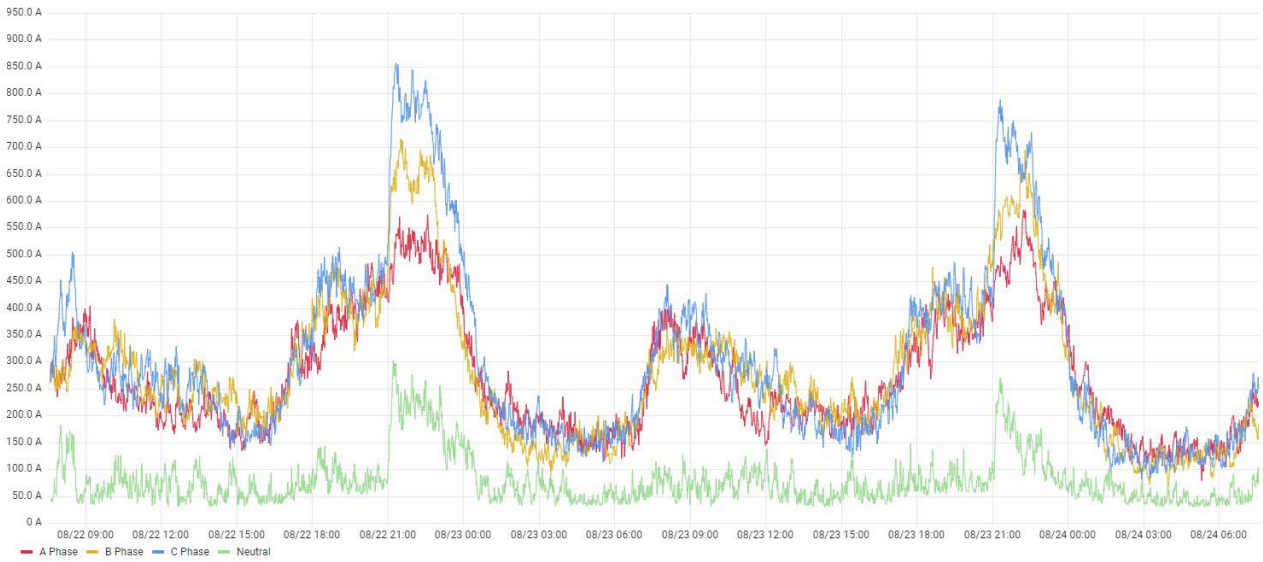


Figure 1: LV constraints during 9pm to 12am peaks