

Submission

Operational review of register content codes

29 September 2017



1 Introduction

Aurora welcomes this opportunity to comment on the Electricity Authority's consultation paper "Operational review of register content codes".

Aurora's contact person for this submission is:

Richard Starkey
Commercial Development Manager
Aurora Energy Limited
richard.starkey@auroraenergy.co.nz
03 470 7504

2 Response to questions

Question

Q1. Do you agree the issues identified by the Authority are worthy of attention?

If not, please explain why.

Q2. Do you agree that the proposed business requirements around period of availability and distributor's pricing information will support accurate application of register content codes and periods of availability for ICP based volume prices?

If not, please explain.

Response

Yes. It is important to address the issue of Register Content Codes and how they should be applied under future pricing options, such as time-based prices.

Aurora agrees with the Authority's objective in making the application of Register Content Codes more simple and straightforward. However Aurora believes that the Authority is placing too much emphasis on creating, or maintaining, register content codes that do not relate to physical metering configurations.

As outlined in Aurora's response to Q17A in the Electricity Information Exchange Protocols (EIEPs) – 2017 operational review consultation paper, "Aurora does not support a list of specific register contents being created and managed by the Authority to reflect all possible 'virtual NHH channel' possibilities. If the information in the Register Content field cannot be traced back to the physical register configuration, then validation of the price category code against the register content code cannot be performed by the distributor. Creating a large list of virtual register content codes, does nothing to help a distributor verify that the price category code specified in the EIEP1 file is correct".

In addition to this Aurora does not agree with the period of availability specified for multi-channel controlled or inclusive metering configurations. Aurora believes the Authority's proposal is overcomplicated, and the period of availability stated for these metering configurations should replicate what is stated for multi-channel uncontrolled configurations. Differentiation between the inclusive/controlled and uncontrolled metering configurations will exist through the respective

Question Response

Register Content Codes used for each configuration ("DIN/NIN" or "CN" vs "D/N").

Also Aurora continues to disagree with the Authority's interpretation of the "NC" Register Content Code. Whilst the Authority continues to state that this code provides a supply generally known as "Night Only" (~8hrs supply during the night period to a single register meter), the Registry Static Data Tables states that "NC" applies to a "Night register for a fully controlled meter". With "DC" stated on the Registry Static Data Tables as "Day register for a fully controlled meter", this would indicate that "DC" and "NC" would work in tandem in a dual register metering configuration. Aurora's view is that the appropriate Reaister Content Code and Period of Availability for the traditional "Night Only" supply is "CN8", disputing the "inconsistency" observed by the Authority in 2.40(a) of the consultation paper.

Aurora also disagrees with the Authority's view on populating "0" as the Period of Availability in instances where the distributor does not specify the minimum number of hours of supply. Aurora's view is that populating "0" indicates no supply. We strongly question the need to populate the Period of Availability with anything other than whole numbers (in respect to the proposal to add a decimal point). Aurora would propose that where a price option is made available for an odd number of trading periods, the period of availability is rounded-up to the nearest whole number.

No. Aurora agrees with the proposal to delete all existing customised Register Content Codes, but would replace these with three Register Content Codes which identify that the trader is using virtual registers as the basis of the volume submission, but also state the physical NHH channel.

As stated in our response to Q17A in the Electricity Information Exchange Protocols (EIEPs) – 2017 operational review consultation paper, "where distributors offer time-based prices, it is likely that the distributor will want to understand whether the connection is uncontrolled, all-inclusive, or controlled. Hence we believe that the validation rule for the register content code should include the physical NHH channel (such as "UN", "IN", or "CN").

It is also likely that distributors will want to know that consumption data has been aggregated by the trader into distinct time periods, distinguishing it from consumption provided by traders from meters with physical registers. Hence we believe that the "7304" register content code also needs to be included."

Q3. Do you agree with the Authority's preferred Option D which introduces generic register content codes for mass market TOU prices, and for consistency deletes existing customised codes that specify time blocks in the descriptions?

If not, which option do you prefer and why?

Question Response

Under this approach the three additional Register Content Codes created would be "UN7304", "IN7304", and "CN7304".

Q4. If the Authority implements Option D, we propose to allow participants 6 months to convert from using the customised register content codes to the corresponding generic register content codes (mapping demonstrated in Appendix C).

Would this be sufficient time?

If not, please advise how much time would be reasonable.

Q5. Do you agree that the Authority should progress a Code change to mandate that a distributor's pricing information must contain certain information to assist consistent and correct application of register content codes and periods of availability for ICP based volume prices?

If not, please explain why.

Yes.

No. It is in the best interests of distributors to provide sufficient information to traders to allow consistent and correct use of ICP based volume prices, and it is Aurora's view that any Code amendment may simply add an additional compliance requirement onto the distributor.

If the distributor does not publish sufficient information to allow the correct use of the volume based prices, then it is more likely that traders will misinterpret how the prices will be applied. If this occurs there is risk that the distributor does not recover the revenue expected from each relevant price. Therefore the distributor is incentivised to provide consistent and correct pricing information to ensure that traders apply the correct price category code to each respective price.

In Aurora's view, any Code amendment will place an additional compliance responsibility onto the distributor, and may not keep pace with future developments in the nascent area of Future Pricing components. In addition, it is important to note that distributors do not state Register Content information on the Registry, as this is performed by Metering Equipment Providers (MEPs). Therefore distributors may not be aware of all Register Contents in place on their own networks, meaning it may be difficult for distributors to comply with a Code amendment in this area.

The Authority has previously interfered with distributor price notifications to traders via the Code with the introduction of EIEP12 (Delivery price change notification). As stated in our response to Q46 in the Electricity Information Exchange Protocols (EIEPs) – 2017 operational review consultation paper, "Aurora questions the usefulness of EIEP12, and submits that under Future Pricing options, traders will need to be more mindful of distributor's delivery price schedules and any associated pricing policies. Aurora views the existing EIEP12 requirement as an additional task to perform in the price notification process and has

Question Response

not received feedback from traders that it is a useful tool.

Aurora believes that EIEP12 was initially created to provide traders will simplified and standardised distributor pricing information. However the Electricity Networks Association in recent years has put a lot of effort into standardising the format of distributor delivery price schedules, and the description of individual price components through the release of the "Pricing guidelines for electricity distributors" document. The increasingly standardised distributor pricing information available to traders may result in EIEP12 being superfluous."

With EIEP12 to be shown to be of limited use, Aurora submits that any further Code amendment in the distributor price notification process also has the potential to add a compliance obligation, without significant benefit.

Q6. Do you agree with the objectives of the proposed amendments?

Yes.

If not, why not?

Q7. Do you agree the benefits of the proposed amendments outweigh the costs? If not, please explain your reasons.

Aurora does not agree that the benefits of the Code change proposal outweighs the costs, nor for the change in format for period of availability in introducing a decimal point.

As explained in Q5, Aurora views limited benefits resulting from the proposed Code change, not dissimilar to the benefits observed from the introduction of EIEP12.

Adding a decimal point to the period of availability is likely to result in material system development costs for participants, and for the Authority in modifying the Registry. In Aurora's view, the Authority has not made a compelling case why a simple solution, such as rounding up the period of availability to the nearest whole number, cannot be applied in this situation.

Q8. Do you agree the proposed amendments are preferable to other options? If you disagree, please give reasons.

Yes.