

Code review programme #5

User: **Micky Cave**

Submitted: **10/10/2023 3:55:05 PM**

Reference: **9c131831-8876-4622-9c5f-b092016e865c**

Summary of information submitted

Who are you submitting as...

Industry participant

Which industry participant

Transpower NZ Ltd.

Code amendment proposal items

Would you like to submit on any items

Yes

Please select which item you'd like to submit on

Item 7 - Definitions of 'at risk HVDC transfer' and 'configuration'

Q1. Do you agree the issue(s) identified by the Authority need attention? Please answer Yes/NO and comment if applicable.

Yes

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes

Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Please answer Yes/No and comment if applicable.

Yes

Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010? Please answer Yes/No and comment if applicable.

Yes

Q5. Do you have any comments on the drafting of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes. A minor point to note about the round power data row given the definitions of INJ (however this point does not create a risk to market efficiency).

The definition refers to the injection point which is the 220kV bus and is net injection. If the HVDC is in round power (i.e. poles delivering power in opposite directions) and is doing (e.g.) 50 MW North (net), the poles could be doing 85N and 35S. The MW risk in this condition is not the net DCtransfer of 50 MW, it is the MW of the North facing pole, as the HVDC will end up doing 35S (effectively -35N) if that pole trips.

So the MW risk is netDCtransfer + 35 (MW) or expressed as energy for a trading period TP = INJ + 17.5 MWh.

We do not propose any change to drafting.

Q6. Do you have any further comments on the proposal? Please answer Yes/No and comment if applicable.

No

Q7. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

Item 5 - Mechanism for publishing invoices from the clearing manager

Q1. Do you agree the issue(s) identified by the Authority need attention? Please answer Yes/NO and comment if applicable.

Yes

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes

Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Please answer Yes/No and comment if applicable.

Yes

Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010? Please answer Yes/No and comment if applicable.

Yes

Q5. Do you have any comments on the drafting of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes. The term "clearing manager's external system" is vague and could be better drafted as a standard "publish" requirement which then is detailed in the Approved Systems Definition Document.

Q6. Do you have any further comments on the proposal? Please answer Yes/No and comment if applicable.

No

Q7. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

Item 3 - Statistical recertification validity period for electronic meters

Q1. Do you agree the issue(s) identified by the Authority need attention? Please answer Yes/NO and comment if applicable.

No

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

No

Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Please answer Yes/No and comment if applicable.

No

Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010? Please answer Yes/No and comment if applicable.

No. our preferred option is that class 1 meters remain being recertified in the time period consistent with the Standard AS/NSS1284. 13:2002.

Q5. Do you have any comments on the drafting of the proposed amendment? Please answer Yes/No and comment if applicable.

The standard for statistical sampling AS/NSS1284. 13:2002 has a table (5) that defines the validity period for different classes of meter; this is the period that the population must be resampled to maintain its certification. The proposal is that the 5-year validity period for class 1 meters in the Standard substitutes the (longer) period applicable to the electromechanical (general purpose) meters. However, should it be the Standard that should be amended to reflect any change in meter accuracies and stability? Otherwise, the Authority has just applied a longer period to sample the class 1 meters, and this is not consistent with the Standard.

In our view, to maintain confidence that the class 1 meters (used for consumers' electricity payments) remain within the 1.5% tolerance, they should continue to be recertified consistent with the Standard.

Q6. Do you have any further comments on the proposal? Please answer Yes/No and comment if applicable.

Yes. Has this proposal been discussed with experts in this area (statistical sampling) such as IANZ. In the additional 2 years before resampling - a 40% increase in the time period - the meters could be drifting outside the tolerance limits and becoming inaccurate.

Q7. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No.

Item 13 - Retention of ATH records

Q1. Do you agree the issue(s) identified by the Authority need attention? Please answer Yes/NO and comment if applicable.

Yes

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes

Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Please answer Yes/No and comment if applicable.

Yes

Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010? Please answer Yes/No and comment if applicable.

No - the proposal may work for ICPs (where the registry records who the MEP is) but will not achieve the same outcome (ensuring the installation record is kept for 48 months if the ATH ceases operation) when the metering is at an NSP.

Q5. Do you have any comments on the drafting of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes. The regulatory treatment of NSPs is different to ICPs e.g., NSPs are not recorded in the registry. Code 10.26 (7) details the process for a participant responsible for providing metering at the grid to advise the RM of the MEP for each installation (there are similar requirements in 10.30 (2)). The Code requirement is for information to be provided at an installation level. The RM publishes a network supply point (NSP) table using the information, but at NSP level shows only a single MEP. If at the NSP there are several installations with multiple MEPs then it may not be obvious who the ATH should send the records to. The MEP recorded on the NSP table would not want to receive information it is not responsible for. Same issue under 10.30 also.

An idea of alternative drafting

"(2) If an ATH intends to cease being an ATH, the ATH must transfer the records described in subclause (1) to the metering equipment provider(s) identified in the metering installation records provided to the RM under 10.26 (7) and 10.30."

Under 10.49 the Authority is responsible for publishing the NSP table, and this table could also carry MEP installation information.

Q6. Do you have any further comments on the proposal? Please answer Yes/No and comment if applicable.

No

Q7. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

Item 11 - Removal of references to 'embedded network operator'

Q1. Do you agree the issue(s) identified by the Authority need attention? Please answer Yes/NO and comment if applicable.

Yes

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes

Q3. Do you agree the benefits of the proposed amendment outweigh its costs? Please answer Yes/No and comment if applicable.

Yes

Q4. Do you agree the proposed amendment is preferable to any other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010? Please answer Yes/No and comment if applicable.

Yes

Q5. Do you have any comments on the drafting of the proposed amendment? Please answer Yes/No and comment if applicable.

No (not on the proposed amendment) However, the grid owner is required to provide data to the RM for GXP under 15.9 and generators for GIP under 15.11. The grid owner is also required to provide the same information under 15.10 (via the clause 25(1) of Schedule 11.1). The grid owner should be excluded from the obligation under 15.10 to avoid confusion and remove duplication; the drafting for 15.10 could be "a participant other than the grid owner..."

Q6. Do you have any further comments on the proposal? Please answer Yes/No and comment if applicable.

No

Q7. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

Technical and non-controversial amendment items

Would you like to comment on any technical and non-controversial items?

Yes

Which row number would you like to comment on?

38

Q1. Do you agree the issue(s) identified by the Authority needs attention? Please answer Yes/No and comment if applicable.

Yes

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

Yes but the drafting contains an error. The "Po" symbol relates to offers and should be "Pb" for bids

Q3. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

54

Q1. Do you agree the issue(s) identified by the Authority needs attention? Please answer Yes/No and comment if applicable.

No. The extension of the secondary statutory objective to market service providers appears ultra vires if the market service provider is not an industry participant with dealings to supply electricity to domestic consumers and small business consumers. The Authority has conveyed its view of Parliament intent with an amendment on the front page of its "interpretation of the statutory objective" document: "Material from the amendment's passage indicates that Parliament's intention is for the additional objective to come into play "when the Electricity Authority is considering the conduct of retailers and other participants that deal directly with small consumers, where there is an imbalance of power in those relationships that can result in adverse outcomes for small consumers"."

The system operator as a service provider does not deal directly with small consumers.

This proposal is also not "technical and non-controversial." When the Authority made a similar proposal for the extension of its (main) statutory objective to service providers early 2016 (we submitted 10 February 2016) , it ran a dedicated consultation on the matter.

The drafting should read:

3.2A Market operation service providers to assist Authority to give effect to Authority's main statutory objective...

(1) Each market operation service provider must perform its obligations under this Code in a way

that assists the Authority to give effect to the Authority's main statutory objective in section 15 of the Act.

(2) The system operator must progressively increase the extent to which it assists the Authority to give effect to the Authority's main statutory objective in section 15 of the Act.

Q2. Do you agree with the objectives of the proposed amendment? Please answer Yes/No and comment if applicable.

No

Q3. Is any part of your submission confidential? Please answer Yes/No and comment if applicable. If yes, please explain which part, why it is confidential and provide a publishable replacement (refer paragraphs 1.9 to 1.11 of the consultation paper)

No

Cover note

Would you like to add anything further to support your submission?

Transpower has submitted several code change proposals since 2020 [e.g. CAR # 166, 167, 168 and two others that did not receive a CAR number] and we are disappointed none have been progressed in this omnibus review. We note the process of code change necessary to support implementation of the new TPM has been progressed efficiently by the Authority's network pricing team, with learnings along the way. We suggest the Authority could apply those learnings across its broader code change proposals process going forward. We consider the grid owner's proposals would support efficiencies and benefits to consumers; and a slow code change process delays these outcomes.

Please attach any covering comments to support your submission (optional)
