

Code review programme #5

User: Sam Fleming

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Reference: 88ce575c-9c1d-4b9e-bb44-b090015d382d

Summary of information submitted

Who are you submitting as...

Industry participant

Which industry participant

Meridian Energy Limited

Code amendment proposal items

Would you like to submit on any items

Yes

Please select which item you'd like to submit on

Item 2 - Automatic removal of a profile that fails an audit

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.

No comment

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 comment

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

Yes. The use of the term "fail an audit" lacks clarity. There is no information available on what constitutes an audit "pass" or "fail".

In practice, "failing" an audit means that the audit identifies the profile is not being used by a participant in accordance with the Code (i.e. it identifies non-compliance). It would be clearer if the Code drafting reflected this.

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

No comment

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 10 - Definition of 'reconciliation participant'

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

No comment

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

No comment

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

No comment

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 comment

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

Yes. It may make clauses 15.4 and 15.5 more ambiguous to replace "reconciliation participant" with just "participant". Clauses 15.6 – 15.11 all specify the participant to whom they apply. Suggest it would be more consistent to do the same for 15.4 and 15.5.

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

No comment

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 15 - Limiting the ability to remove and ICP from the shared unmetered load (SUML) list

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. We suggest that the reference in clause 11.14(4) of the Code drafting be updated from (3) to 3(A).

We also query whether consideration should be given to some sort of evidence being necessary from a Trader for a notice given under 3(A) that an ICP does or does not benefit from the shared unmetered load, rather than just allowing Traders to assert it. There is also no discretion for a Distributor to refuse a notice under 3A – the drafting just says that if the Distributor receives a notice they must notify the relevant parties. Consideration should be given to an option whereby Distributors only have to do that if they are satisfied the notice complies with 3A.

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

Yes. We support this change as we are aware of some (mostly smaller) retailers removing ICPs from shared unmetered load simply because their systems cannot support the billing or reconciling of unmetered load.

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 16 - Timeframes to update the registry when dependent on metering equipment provider (MEP) updates

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.

No comment

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 comment

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

No comment

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

If it has not done so already, the Authority should also consider amending the logic of the Registry AC-020 (Audit Compliance) report, which reports on Trader's compliance with the clause being amended, to reflect this change so any updates where the amended clause applies are not reported incorrectly as non-compliant.

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 20 - Revised timeframe for updating the 'chargeable capacity' in the registry

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

No comment

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

No comment

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

No comment

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 comment

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

Yes. We suggest the drafting could be clearer that the timeframe applies (and backdating is "compliant") only where the parties agree given the potential customer impact. For example:

"...in the case of a change to the information provided under clauses 7(1)(g)), 7(1)(h) and 7(1)(i) where the change is backdated because the trader responsible for the ICP and the distributor have agreed to the backdating of the change, no later than 3 business days after the distributor and the trader responsible for the ICP agree on the change; and ..."

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

Yes. We agree that it is not a desirable regulatory outcome for a participant to be in breach of one obligation in order to comply with another. The scenario addressed by the Authority here is one example of a wider problem with the backdating of Registry records to correct incorrect Registry information. The Authority should apply the same logic to address problems elsewhere in the Code where obligations on participants require updates of the Registry within a specified timeframe, while simultaneously the requirement in clause 11.2 requires that Registry information be complete and accurate.

For example, clause 10(2) of Schedule 11.1 requires traders to update the Registry within five business

days of any change to an ICP. Any correction of this information that needs to be backdated more than five business days to ensure it is accurate will be in breach of clause 10(2), while not backdating to the correct date would be a breach of clause 11.2.

This is one of several instances where if participants do not backdate they are in breach of the accuracy clause. However, if they do backdate they are in breach of a timeframe clause. The Authority should review Code obligations more broadly to address this problem in all situations where there is both an obligation to correct Registry information and an obligation to provide information within a set timeframe.

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?

No

Cover note

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

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