

4 June 2024

Electricity Authority
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By email to policyconsult@ea.govt.nz

Submission to the Electricity Authority (Authority) on the *Code amendment omnibus three: May 2024*

Electricity Networks Aotearoa (ENA) appreciates the opportunity to make a submission to the Authority on its consultation paper on the “*Code amendment omnibus three*”.

ENA is the industry membership body that represents the 27 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (Appendix A). ENA harnesses members’ collective expertise to promote safe, reliable and affordable power for New Zealanders.

ENA supports the indexation of maximum DG application fees

ENA welcomes the Authority’s proposal to update the prescribed maximum fees for distributed generation (DG) contained in Part 6 of the Code. In its previous submission to the Authority’s Updating the Regulatory Setting issues paper¹, ENA made two recommendations that would ensure the Part 6 Code provision remains fit for purpose. These were that the Authority should:

- Adopt the Transpower approach to application fees for Part 2 applications by setting a maximum per MW fee (rather than a fixed rate) for projects greater than or equal to 1MW.
- Include an automatic adjustment mechanism in the Code to adjust the maximum prescribed fees by CPI on an annual basis.

ENA supports the proposal to increase the maximum prescribed fees. However, ENA’s view is that the adoption of the above amendments would future-proof Part 6 and avoid the need for future interventions to ensure that the prescribed fees remain reflective of the costs incurred by distributors in assessing initial DG applications.

ENA encourages the Authority to conduct a thorough review of the Part 6 fees and their structure as part of the upcoming network connections project. This review should include an examination of the potential alignment of EDB and Transpower application fees to ensure there are no inefficient incentives/disincentives for connection to either the distribution or transmission network.

The inclusion of greater DG data in the registry is a step forward

The expansion of the scope of the DG information recorded in the registry is supported by ENA.

¹ <https://www.ena.org.nz/submissions/previiously-published-ena-submissions/2023-submissions/document/1273>

The Authority needs to keep in mind that EDBs are a conduit for information on DG and DER installations. The Code should recognise this limitation and not place unrealistic expectations on the timing or accuracy of information not controlled by EDBs.

The Code provides limited remedies for EDBs in situations where third parties fail to provide the required information. The Authority should accompany the proposed Code changes with provision giving EDBs greater powers to require distributed generators to supply accurate information regarding the connection in a timely manner. This will be particularly important for the reporting of V2G installation information as EDBs have no formal relationship with EV charging installers.

ENA supports the inclusion of transition provisions for the reporting of the new data in the registry. ENA and its members would prefer that there be a transition 12 over months rather than six. The Authority, in setting out its plan for the implementation of the proposed Code change should also set out its approach to the treatment of historical data.

ENA encourages the Authority to advance stage 2, the expansion of the registry fields to include all DER, without delay to ensure that the industry has the information it needs to deliver its vital services in the most efficient and reliable fashion.

Export limits and response modes will maximise the potential of distribution networks

The proposed amendment to clause 7(1)(q) of the Code – to allow an EDB to set and record a maximum export limit per ICP in the registry – is an important step to facilitating the use of dynamic operating envelopes, and other mechanisms to maximise the efficient use of distribution networks. ENA heartily supports it.

The current provisions under clause 1D(2) that allow for EDBs to set export limits and require volt-watt and volt-var response modes are due to expire in September 2026. As part of the Omnibus Code change, ENA recommends that the sunset date for this provision be removed or extended.

Amendments to the proposed drafting to boost clarity

Clause 7(1)(o)(ii) of the consultation paper, creates an obligation to populate the number of ‘items’, and a second obligation to populate the fuel type for each. ENA’s view is that these two obligations should be separated into two sub-clauses.

The proposed clause 7(1)(o)(iii) uses the terms ‘item’ and ‘generating unit’, however, the relationship between the two is unclear. To remove this ambiguity, ENA recommends that the drafting be amended to clarify that a ‘generating unit’ comprises one or more ‘items’.

The proposed drafting of 7(10)(a) requires EDBs to populate the registry if they observe testing, or there is an application to connect for ICPs that existed prior to 1 April 2025. It is not clear if this requirement applies to ICPs where an application or inspection occurred prior to 1 April 2025.

Please don’t hesitate to get in touch with ENA if you’d like to discuss our submission. Contact Keith Hutchinson (keith@electricity.org.nz) in the first instance.

Yours sincerely



Keith Hutchinson

Regulatory Manager

ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below.

Alpine Energy

Aurora Energy

Buller Electricity

Centralines

Counties Energy

Electra

EA Networks

Firstlight Network

Horizon Energy Distribution

Mainpower NZ

Marlborough Lines

Nelson Electricity

Network Tasman

Network Waitaki

Northpower

Orion New Zealand

Powerco

PowerNet

Scanpower

The Lines Company

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Unison Networks

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