

Aurora Energy's cross-submission

**Commerce Commission Targeted  
Information Disclosure Review (2024) –  
Electricity Distribution Businesses  
Draft Decision – Reasons Paper**

5 October 2023

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# 1. INTRODUCTION

1. Aurora Energy Limited (Aurora Energy) welcomes the opportunity to cross-submit to the matters raised by submissions to the Commerce Commission's (the Commission's) *Information Disclosure Review (2024) – Electricity Distribution Business Draft Decision – Reasons Paper* (the TIDR 2024 Draft Decision).
2. No part of our cross- submission is confidential.

# 2. RETROSPECTIVE REGULATION IS NOT APPROPRIATE

3. As a matter of principle we agree with our peer EDBs<sup>1</sup> that the proposed amendments introducing new reporting requirements with a 31 August 2024 disclosure date constitutes retrospective regulation. Retrospective regulation is not appropriate.
4. We support recommendations that all new reporting requirements be actionable no earlier than 31 August 2025; impacting the following proposed amendments:
  - Schedule 9e: additional reporting related to transformer capacity
  - Disclosure of zone substation information as geospatial data: in a GIS-compatible format
  - Schedule 5b: new opex expenditure category of 'Non-traditional solutions provided by a third-party service supplier'
  - Schedule 6b: new opex expenditure category of 'Non-traditional solutions provided by a third-party service supplier.'
  - Schedule 7: new opex expenditure category, actual and forecast, of 'Non-traditional solutions provided by a third-party service supplier'
  - Schedule 8:
    - structural changes to 'standardise' the reporting of prices
    - removing the 'Notional revenue foregone from posted discounts (if applicable )' from s8(ii).
  - Schedule 16: Definition of terms used in Schedules 1 to 15.

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<sup>1</sup> Aurora Energy's submission, Commerce Commission Targeted Information Disclosure Review (2024) – Electricity Distribution Businesses Draft Decision – Reasons Paper, paragraph 96; Firstlight network, Targeted Information Disclosure Review (2024), page 1, 6, 7 and 9; Horizon Energy Distribution Limited (Horizon Networks) submission on Targeted Information Disclosure Review (2024), paragraphs 6, 7, 10, 16 and 23; Orion, Targeted Information Disclosure Review (TIDR) 2024, page 6; and Vector, Targeted Information Disclosure Review (TIDR) 2024 – Vector's submission to Draft Decision, paragraphs 3 and 26.

5. We appreciate that the Commission wants to release information to stakeholders as soon as is practicable. Submitters have demonstrated that finalising reporting obligations within weeks of the end of the reporting year is not practicable; not the least of all for assurance and director certification. Given the practicalities we urge the Commission to take a pragmatic approach when making its final decision.

### 3. AMENDMENT AM6 — VEGETATION MANAGEMENT REPORTING

6. We note that that several submitters<sup>2</sup> recommended that the Commission adopt clause 1.6.4 of the information disclosure determination, to measure ‘overhead circuit at risk from vegetation damage’, which currently only applies to Aurora Energy—

*‘for the purpose of vegetation management, the percentage of the network that Aurora*

*has—*

*(a) Inspected; and*

*(b) Felled, trimmed, removed, or sprayed’*

7. The 31 August 2023 disclosure year was the first year Aurora Energy reported against clause 1.6.4 and we found the reporting to be effective and appropriate; and support the recommendation of our peers that this measure be adopted in place of the Commission’s proposed D5 amendment.

### 4. AMENDMENT D5 — WORK AND INVESTMENT ON FLEXIBILITY RESOURCES (NON-TRADITIONAL SOLUTIONS)

8. In our submission we recommended ‘that the Commission workshop the proposed changes to Schedules 6b, 12b, and the terminology change and definition of ‘non-traditional solutions’ with stakeholders before making its final decision.’<sup>3</sup> We believe the definition of non-traditional

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<sup>2</sup> Alpine Energy Limited’s submission on the Commerce Commission’s Targeted Information Disclosure Review (2024), paragraph 16; ENA submission draft decision targeted information disclosure (2024), submission to the Commerce Commission, page 6; Network Tasman, Targeted Information Disclosure Review (2024) – Electricity Distribution Business (Draft Decision Paper), page 2; and Orion, Targeted Information Disclosure Review (TIDR) 2024, page 6.

<sup>3</sup> Aurora Energy’s submission, Commerce Commission Targeted Information Disclosure Review (2024) – Electricity Distribution Business Draft Decision – Reasons Paper, 14 September 2023, Paragraph 9.

solution is ambiguous making it uncertain that the term is an appropriate replacement for current term ‘non-network solutions.’

9. Our peers appear to be of a similar view. The ENA stated—

*‘The definition of “Non-traditional solutions” requires clarity. For example, would the use of diesel generators, a technology that has been used for many decades, be classified as a non-traditional solution?’<sup>4</sup>*

Firstlight Network was of the view that—

*‘the definition of “non-traditional solutions” needs [to be] well defined to be robust. Diligent attention and care are required to prevent potential unintended [consequences] and ensure that there are no perverse outcomes. For example, some may view the use of diesel generators as a “non-traditional solution”, but it may not necessarily align with the intended purpose of disclosure’<sup>5</sup>*

And Network Waitaki stated—

*‘To avoid ambiguity and ensure consistent reporting, more clarity on the definition of non-traditional solutions will be necessary.’<sup>6</sup>*

10. Horizon Energy also made the recommendation the Commission workshop the amendment.

*‘Prior to issuing decisions, the Commerce Commission workshop potential solutions and timing with EDBs and affected stakeholders to ensure potential solutions and timeframes are achievable, practical and will provide meaningful information for stakeholders.’<sup>7</sup>*

11. The replacement of the term ‘non-network solution’ with ‘non-traditional solution’ while well intended and potentially might add value to information disclosure reporting presents a risk of unintended consequences. We believe that Powerco says this best in its submission—

*‘Although distributed flexibility can address various network constraints, the continued emphasis on non-traditional solutions for major projects obstructs the deployment of flexibility for other network purposes and the recognition of customers contributing to flexibility.’<sup>8</sup>*

12. Powerco suggested an alternative approach in its submission—

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<sup>4</sup> ENA submission draft decision targeted information disclosure (2024), Submission to the Commerce Commission, Page 5.

<sup>5</sup> Firstlight network, Targeted Information Disclosure Review (2024), page 6.

<sup>6</sup> Network Waitaki, Targeted Information Disclosure Review (2024), page 5.

<sup>7</sup> Horizon Energy Distribution Limited (Horizon Networks) submission on Targeted Information Disclosure Review (2024). 14 September 2023, paragraph 20.

<sup>8</sup> Powerco, submission to the TIDR 2024 Draft Decision, 14 September 2023, page 5.

*‘Instead of evaluating non-traditional solutions separately for each AMP major project, an alternative approach is to encourage discussions about long-term programs and policies that promote demand-side flexibility within AMPs.’<sup>9</sup>*

13. Vector and WELL also suggested using an alternative term ‘non-wired’ alternative or solution.<sup>10</sup>
14. We are uncertain if Powerco’s approach would satisfy stakeholders and therefore the Commission, which perfectly highlights the complexity of the issue. And the alternative term ‘non-wired’ is no clearer than the Commission’s proposed term non-traditional solution as in our view the lack of clarity is in the body of the definition as opposed to the term used.
15. Submissions have highlighted the complexity of what may have appeared a relatively simple amendment at first. Working with stakeholders would give the Commission the opportunity to scope a term and definition to better capture the underlying reasons for the Commission amending the current term ‘non-network solution’ in the first instance.

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<sup>9</sup> Powerco, submission to the TIDR 2024 Draft Decision, 14 September 2023, page 1.

<sup>10</sup> Vector, Targeted Information Disclosure Review (TIDR) 2024 – Vector’s submission to Draft Decision, Paragraph 17; and Wellington Electricity Lines Limited (WELL), Submission to Targeted Information Disclosure Review 2024, Section 3.4.