

Aurora Energy's submission

**Information Disclosure (Input Methodologies  
Amendment Determination 2024)**

15 August 2024

# 1. INTRODUCTION

1. Aurora Energy Limited (Aurora Energy) welcomes the opportunity to submit its views on the Commerce Commission's "Information Disclosure (Input Methodologies Amendment Determination 2024) Draft Decision – Reasons Paper."
2. Aurora Energy supports the Commission's intent to align the Information Disclosure (ID) requirements with the changes made from the Input Methodologies Review 2023 (IM Review).
3. Our submission focuses on issue #1 – Disclosure of IRIS carry forward balances and issue # 3 – Transferred Works Under Construction.
4. No part of our submission is confidential.

# 2. DISCLOSURE OF IRIS CARRY FORWARD BALANCES

5. Aurora Energy does not agree with the proposal to insert a new Schedule 3a. Our concern with the inclusion of Schedule 3a is that it will add complexity and costs for compliance with the Information Disclosure regime, with no clear benefit to interested parties. It is also unclear as to why this change is required to align with the changes from the IM Review. We note the addition of a new Schedule 3a was not raised as a part of the Targeted Information Disclosure Review undertaken last year.
6. The requirement for a new schedule 3a appears to have emerged from a statement in the *Part 4 Input Methodologies Review 2023 - Final decision*, where the Commission has formed a view that there is a lack of understanding of IRIS cashflow timing, which is a potential barrier to effective cashflow management. It is unclear why the Commission has formed this view. There is no evidence provided by the Commission from submissions that the understanding of IRIS cashflow timing is the root cause of the problem. In contrast, the Commission also makes a statement in the final decision paper that 'IRIS cashflow implications can generally be expected to be managed by EDBs', a view that was supported in the decision paper by an extract from Wellington Electricity's submission.
7. The cashflow implications of IRIS require EDB's to incorporate IRIS impacts into their financial budgeting models. The IRIS calculations are already calculated by EDB's as part of the annual price-setting process, so they should already have some visibility of the IRIS impacts. It is unclear to us, how an additional ID Schedule will improve visibility to EDB's in practice.
8. Aurora Energy questions whether there are interested persons with sufficient understanding of the IRIS mechanism to benefit from the additional disclosures.
9. We note that it is proposed that Schedule 3a be subject to audit, which is likely to add additional compliance costs for EDB's.

### 3. TRANSFERRED WORKS UNDER CONSTRUCTION

10. Aurora Energy supports the submission made by Electricity Networks Aotearoa (ENA) in response to this issue and the proposed amendments to Schedule 4. In particular, we note the need to ensure that the structure of Schedule 4, and the defined terms for 'Asset acquired from a regulated supplier' and 'WUC acquired from a regulated supplier' are clear on how costs are separated between the two, in order to avoid a double deduction of these amounts.