

31 August 2022

Dr John Rampton  
Regulation Branch  
Commerce Commission  
By email to [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

Dear John

### **EDB Targeted ID Review – Tranche 1 draft decisions paper**

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Commerce Commission consultation paper "Targeted Information Disclosure Review – Electricity Distribution Businesses – Draft decisions paper – Tranche 1" (TIDR EDB tranche 1) dated 3 August 2022.<sup>1</sup>
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Members may lodge separate submissions.
3. Comments on the three topics in MEUG submissions and cross-submissions to date follow:
  - a) Q5: Add ID requirements on information about customer charters and guaranteed service level (customer compensation) schemes, i.e., information about existing schemes.

MEUG welcomes the Commission retaining this as a tranche 1 item.

- b) D2: Add requirements on new network loads likely to have a significant impact on network operations or asset management priorities.

MEUG agrees with the draft decision to retain this in tranche 1. MEUG had concerns this requirement might be complex to implement, have high compliance costs to EDB, and be prone to quality issues by either failing to identify some large new loads and or including highly speculative projects. The draft decision to implement this requirement through provision of "qualitative information in narrative form" is a good compromise.<sup>2</sup> Over time an assessment can be made on whether quantitative metrics can be added to the qualitative information.

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<sup>1</sup> Document URL [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0028/289207/Targeted-information-disclosure-review-for-electricity-distribution-businesses-Tranche-1-draft-decisions-paper-3-August-2022.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0028/289207/Targeted-information-disclosure-review-for-electricity-distribution-businesses-Tranche-1-draft-decisions-paper-3-August-2022.pdf) at web page <https://comcom.govt.nz/regulated-industries/electricity-lines/projects/targeted-information-disclosure-review-for-electricity-distribution-businesses>

<sup>2</sup> Refer draft determination, pp101-102, document URL [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0027/289206/Draft-Electricity-Distribution-Information-Disclosure-Targeted-Review-Tranche-1-Amendment-Determination-2022-3-August-2022.pdf](https://comcom.govt.nz/_data/assets/pdf_file/0027/289206/Draft-Electricity-Distribution-Information-Disclosure-Targeted-Review-Tranche-1-Amendment-Determination-2022-3-August-2022.pdf)

The draft determination considers “New network loads likely to have a significant impact” and has two categories, “Known loads” and “Potential loads.” The definition of the latter refers to loads “... that could convert its energy supply from fossil fuels to electricity.”

There are two problems with the text of the draft determination:

- Large new renewable generation or batteries connecting to an EDB network may have similar challenges to an EDB as large new network loads.
- New significant network loads may be greenfield industries that are not an existing thermal load in the EDB area or anywhere in New Zealand.

A solution to the first problem is to add additional text to the draft determination as follows (new text underlined) “New network loads, renewable generation or batteries likely to have a significant impact.”

A solution to the second problem is to be open to other reasons why significant load growth may occur, for example refer to loads “... that could be existing firms converting its energy supply from fossil fuels to electricity or entirely new greenfield businesses.”

- c) D6: Proposed changes to refine ID requirements by providing standardised price components and/or price categories that EDBs can record revenue against in addition to a free field for revenue that does not fit one of the standardised categories or components.

This item has been shifted to tranche 2. Further work is needed to ensure the ID requirement to improve reporting and accessibility to pricing information is fit-for-purpose. MEUG agrees this is not a trivial exercise. Consistent with prior MEUG submissions, we recommend this be a high priority Tranche 2 work item.

#### New topics to be considered

- 4. The consultation paper has added two new items to consider for improving ID:
  - a) AM12: Proposed changes to align AMP content requirements with work on the Electricity Networks Association’s Network Transformation Roadmap.
  - b) AM13: Require EDBs to make a confidential disclosure of operational expenditure on cybersecurity.
- 5. MEUG agrees AM12 should be considered in tranche 2 and AM13 in tranche 1.

Yours sincerely



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Executive Director