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The logo for Firstlight network, with 'Firstlight' in black and 'network' in green.

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To Claire

Targeted Information Disclosure Review (2024)

Firstlight Network (Firstlight) welcomes the opportunity to comment on the Commerce Commission's (Commission's) Targeted Information Disclosure Review (2024) for electricity distribution businesses (EDBs) released in August 2023. Firstlight Network is part of the Firstgas Group. For more information about Firstgas Group's businesses, refer to **Attachment 1**.


Overall, we are supportive of the overarching objectives of the review. The three key themes of decarbonisation, asset management and quality of service are well canvassed. The proposals are largely meaningful and add further transparency to the performance of the network which will provide improved information for key stakeholders. There are some key issues to highlight, namely:

- Concerns with retrospective implementation. Amendments for the year ending 2024 requires reporting from April 2023, with the final decision to come early 2024.
- Application of "non-traditional solutions" in future reporting may need more clarity to prevent perverse outcomes.
- Additional vegetation reporting is onerous and questionable if the benefits outweigh the costs.

Our detailed comments to the proposed amendments are provided in **Attachment 2**. There is no confidential information in this submission.

Firstlight is a member of Electricity Networks Aotearoa (ENA). Firstlight supports the ENA's submission.

Contact details

Firstlight would welcome the opportunity to meet with the Commission to discuss any points we have raised in our submission. To arrange this meeting or if you have any questions, please contact Nathan Astwood 

Yours sincerely



Saba Malik
Regulatory & Policy Manager
Firstgas Group

Attachment 1 About Firstgas Group

Our vision is to lead the delivery of New Zealand's energy in a changing world. Our mission is to safely and reliably deliver energy that's affordable and accessible to Kiwi families and businesses. We're proud of this and of the important role we play in Kiwis' lives.

Firstgas Group is an umbrella brand consisting of Rockgas, Firstgas, Firstlight Network, First Renewables, Flexgas and Gas Services NZ. Firstgas delivers natural gas to over 165,000 customers through a gas network of over 2,500 kilometres of high-pressure transmission pipeline and 4,800 kilometres of distribution pipeline in the North Island.

Rockgas is New Zealand's largest LPG retailer serving over 138,000 customers from 10 branches and a network of 25 franchises throughout the country. We deliver 45kg bottles to homes for gas cooking, heating and hot water needs, as well as providing LPG tanks for business gas essentials. BBQ 9kg bottles and LPG vehicles are also covered by Rockgas, with a network of more than 180 Refill & Save locations throughout New Zealand.

Firstlight Network is the electricity lines company for Tairāwhiti and Wairoa. Firstlight delivers electricity to more than 25,000 customers over a 12,000 square kilometre area.

Flexgas and Gas Services NZ are energy storage, operations and maintenance companies which make sure gas can be delivered safely and continuously. Flexgas operates the Ahuroa gas storage facility in central Taranaki. Gas Services NZ provides operational and maintenance support to all gas infrastructure owners, including the companies within Firstgas Group.

New Zealand's homes have benefited from a choice of energy sources to meet their household needs. Currently there are over 400,000 homes in New Zealand which have natural gas and LPG. These homes predominantly use gas for cooking, instant hot water and heating. There are many benefits of having gas in the home. Natural gas is currently the most affordable way to heat water. Gas boilers heat water so that it is instantly available. It requires no onsite storage in the home.

Firstgas is investigating opportunities for using our assets to help reduce New Zealand's carbon emissions. Our gas transmission and distribution networks cover much of the North Island and are ideally placed to support the development, transfer, and use of emerging fuels such as hydrogen and/or biogas.



Attachment 2 Response to consultation questions

| Amendment | | Comment |
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| D3 | <p>Our draft decision is to require EDBs to disclose the following information for each existing zone substation in Schedule 12b(i) of the ID determination:</p> <ul style="list-style-type: none"> • the current peak load period (ie, the season current peak load occurred); • the installed operating capacity (at the zone substation’s assigned security level); • whether it is constrained or forecast to be constrained (ie, by selecting a “Current constraint type” or “Forecast constraint type”); • if a zone substation is currently or forecast to be constrained: <ul style="list-style-type: none"> - whether it is a capacity or security constraint; - the cause of the constraint; - the type of solution (where known) to the constraint; and - if the solution is temporary, how long it is expected to be in place (required for current constraints only). • if a zone substation is not currently constrained, the available capacity before it becomes constrained; • forecast available capacity in 5 years and an approximate range of forecast available capacity in 10 and 20 years; and • forecast peak load period and forecast security of supply classification in 5 and 10 years. <p>We also propose a minor amendment to Schedule 9e(iii) of the ID determination.</p> | <p>We agree with the proposed disclosures outlined in D3 and the purpose.</p> |

| Amendment | Comment |
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| <p>D3 To improve comparability with capacity in Schedule 12b(i), we propose zone substation transformer capacity is reported as EDB owned capacity and non-EDB owned capacity.</p> <p>We propose EDBs disclose data about their networks in a generic geospatial file format (such as Geopackage or Shapefile). We are proposing EDBs disclose, for each zone substation:</p> <ul style="list-style-type: none"> · its name, location (in coordinates), the names of any feeders connected to it, the voltage(s) it primarily transforms, and the boundary of the area it serves. <p>We propose amending Attachment A of the ID determination to require EDBs to provide the following:</p> <ul style="list-style-type: none"> · a description of any policies or practices for providing sufficient information on current and forecast constraints (including LV network constraints where known) to inform the decision-making of potential consumers connecting to the network and potential providers of non-traditional network solutions; and · regarding load and injection constraints on LV networks, a description of: <ul style="list-style-type: none"> - any challenges, and progress, towards collecting or procuring data required to inform the EDB of current and forecast constraints on its LV network, including historic consumption data; and - any analysis and modelling (including limitations and assumptions) the EDB undertakes, or intends to undertake, with that constraint-related data. <p>As appropriate, for each of the new disclosure requirements above, we have proposed to add, amend, and remove definitions in Schedule 16 of the ID determination.</p> | <p>We agree with the prescribed approach outlined in D3, some collaboration would be appreciated with regards to geospatial data formats to ensure the disclosure aligns effectively with its primary objective.</p> |

| Amendment | Comment |
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| <p>D5</p> <p>Our draft decision is to require EDBs to disclose the following information in their AMP:</p> <p>A detailed description of the investigations undertaken towards the potential for non-traditional solutions to be more cost effective than network augmentations and vice versa. This should specify if any nonrelated parties were approached in relation to non-traditional solutions. For the purposes of disclosing this information an EDB is not required to include commercially sensitive or confidential information.</p> <p>We propose to replace all instances of “non-network solutions” in the ID determination with “non-traditional solutions”. We also propose to insert a definition for “non-traditional solutions” in clause 1.4.3 of the ID determination:</p> <p>“means a non-traditional solution to a network constraint or risk, and includes distributed generation, electricity storage, demand response and resilience measures”</p> <p>We propose to insert a clause 4.2.7 in Attachment A: the capacity of any non-traditional solutions:</p> <p>(a) provided by a third-party provider; and</p> <p>(b) not provided by a third-party provider.</p> <p>We also propose to replace the term ‘distributed generation’ with the term “non-traditional solutions” in several instances where it is mentioned in Attachment A.</p> <p>EDBs will be required to disclose “non-traditional solutions” as a separate operational expenditure (opex) line item in Schedules 5b(i) and (iii), 5d(i), 5f, 6b(i), 7(iii) and 11b.</p> | <p>We are concerned about the retrospective date of implementation. We strongly encourage the Commission to consider shifting it to the year ending 31 March 2025 to allow EDB’s reasonable time to prepare the required reporting for the full year.</p> <p>Our concern stems from the fact that we currently are halfway through the year, yet we are obliged to report on the full year.</p> <p>Additionally, the definition of “non-traditional solutions” needs is well defined to be robust. Diligent attention and care are required to prevent potential unintended 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.</p> <p>Aside from these concerns, we agree with the proposed disclosures.</p> |

| Amendment | Comment |
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| <p>D6</p> <p>Our draft decision is to amend the following requirements in Schedules 8(i) and (ii) of the ID determination:</p> <ul style="list-style-type: none"> • Addition of standardised connection types, with an option of “other”. • Addition of standardised price components, with an option of “other”. • Disaggregate the “distribution” and “transmission” components of the billed quantities and line charge revenue fields. • Removal of the “unit charging basis” and “rate” fields – as these would be built into the standardised price components. <p>In Schedule 8(ii) we propose removing the field “Notional revenue foregone from posted discounts (if applicable)”.</p> <p>In Schedule 16 we propose including definitions for each standardised connection type and price component.</p> | <p>We are concerned about the retrospective date of implementation. We strongly encourage the Commission to consider shifting it to the year ending 31 March 2025 to allow EDB’s reasonable time to prepare the required reporting for the full year.</p> <p>Our concern stems from the fact that we are currently halfway through the year, yet we are obliged to report on the full year.</p> <p>Otherwise, we are happy with the proposed disclosure and disaggregation of Transmission revenue.</p> |

| Amendment | Comment |
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| <p>AM6</p> <p>Our draft decision is to require EDBs to publicly disclose new information in Schedules 6b(i), 9c and 10(ii).</p> <p>In Schedule 6b(i), EDBs will be required to disclose opex relating to vegetation at a further disaggregated level, for the following:</p> <ul style="list-style-type: none"> • service interruptions and emergencies, which is vegetation-related; • routine and corrective maintenance and inspection which relates originally to a vegetation-caused fault; and • vegetation management in new subcategories (assessment and notification costs, felling or trimming vegetation – in-zone, felling or trimming vegetation – out-of-zone, and other). <p>We are not proposing to require EDBs to disclose this disaggregated vegetation-related opex information in schedules 5b, 5d, 7 or 11b.</p> <p>In Schedule 9c, EDBs will be required to disclose the number of overhead circuit sites on their network that are at high risk from vegetation damage.</p> <p>This will replace the existing metric in Schedule 9c, “overhead circuit requiring vegetation management (km/%)”.</p> <p>We propose to define the new reporting requirement as: “overhead circuit sites for which an EDB has</p> <ol style="list-style-type: none"> a) identified a hazard tree; or b) given a cut or trim notice or a hazard warning notice to a tree owner under the Electricity (Hazards from Trees) Regulations 2003”. <p>We propose that the different categories of “sites” can be described by each EDB, and EDBs will be required to set out the number of sites within each category, and number sites involving critical assets within each category, in a table within the schedule.</p> <p>In Schedule 10, EDBs will be required to disclose information on causes of unplanned interruptions at a further disaggregated level.</p> <ul style="list-style-type: none"> • We propose to require EDBs to break down reporting of Class C interruptions caused by vegetation in Schedule 10(ii). The new table of additional vegetation reporting categories includes in-zone, out-of-zone, wind-borne debris, related to inclement weather, and other. <p>As appropriate, for each of the new disclosure requirements above, we have proposed new definitions in Schedule 16 of the ID determination. We have also proposed one clarification change to the existing definition of “routine and corrective maintenance and inspection” in the interpretation section of the ID determination.</p> | <p>The additional disaggregation of vegetation reporting requires material change in internal processes and reporting. The proposed implementation date is difficult to achieve and the cost to implement arguably outweighs the benefits in achieving the objectives under section 53A of the Commerce Act.</p> <p>It is noted that there was no consideration of ownership of trees in Schedule 10. Commercial forestry is an issue and contributes to outages across Firstlight and impacts on various levels across EDBs. Under the current design, these would be noted in Schedule 10b however the line items in 10b could number in the 100s or 1000s and may be lost in the noise.</p> |

| Amendment | Comment |
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| <p>Q14</p> <p>Our draft decision is to require EDBs to publicly disclose the following each year:</p> <ul style="list-style-type: none"> · raw interruption data, consistent with that provided by non-exempt EDBs in advance of PQ resets, including location, cause and SAIDI and SAIFI values as well as other data, in a new Schedule 10a; and · information on the worst-performing feeders in the distribution network in Schedule 10 (new section 10(vi)). Worst-performing feeders are defined as: the feeder lines on an EDB's network that, in respect of the most recent disclosure year, are in the 90th percentile or higher for one or both of: (a) feeder SAIDI and (b) feeder SAIFI. <p>We propose removing the existing requirement for disclosure of normalised SAIFI and SAIDI from Schedule 10(i).</p> <p>We also propose adding an additional cause category termed "other cause" to the breakdown of SAIDI and SAIFI in Schedule 10(ii), to align with the cause categories proposed in the raw interruption data in new Schedule 10a</p> | <p>We do not expect any internal challenges and issues in producing the data for raw interruptions in the new Schedule 10a. However, we do raise a question regarding the intrinsic value of the schedule itself if it truly provides any additional value to what is being produced in Schedule 10, especially when the interruption data is audited.</p> <p>The feeders that contribute to high SAIDI and SAIFI may not necessarily be the worst-performing feeders. For instance, a feeder with a very low number of ICPs would contribute to low SAIDI and SAIFI, even after experiencing many interruptions throughout the year. On the other hand, a feeder with a significant number of ICPs can contribute to high SAIDI and SAIFI, even if there are only a few interruptions on that feeder.</p> <p>The disclosure should not be referred to as the "worst-performing feeder list" but rather as "feeders contributing to high SAIDI and SAIFI."</p> <p>To identify the worst-performing feeder, one should calculate the ratio of the ICP number on that feeder to the total customer minutes of all interruptions on that feeder.</p> <p>We do not have any issues with removing the existing requirement for disclosure of normalised SAIFI and SAIDI as it ensures a consistent application between DPP and ID's.</p> <p>We do not have any issues with incorporating the category labelled "other cause." However, it is difficult to identify any specific situations in which an interruption would appropriately fit within this category. If the Commission could provide an example of an interruption suitable for inclusion in this category, it would be greatly appreciated.</p> <p>We are concerned about the retrospective date of implementation. We strongly encourage the Commission to consider shifting it to year ending 31 March 2025 to allow EDB's reasonable time to prepare the required reporting for the full disclosure year.</p> <p>Our concern stems from the fact that we are currently halfway through the year, yet we are obliged to report on the full year.</p> <p>Otherwise, we are happy with the proposed disclosures outlined in Q14</p> |

| Amendment | | Comment |
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| A3 | <p>Our draft decision is to amend the Schedule 16 definition of “gains / (losses) on asset disposals” to clarify the rules around asset disposal to a related party. This will reduce the risk of EDBs misinterpreting the accounting rules around asset sales to related parties.</p> <p>We also propose to remove the definition “Asset disposals (other than below)” as it is no longer required.</p> | Agree with the proposed amendment. |
| Other | <p>Our draft decision is to amend clause 1.4.3 to update the definitions of “ISAE (NZ) 3000” and “SAE 3100” to the current version of these assurance standards.</p> <p>These standards are incorporated by reference under Schedule 5 of the Commerce Act into the ID determination. We must consult on this amendment, which we will do at the same time as we consult on the TIDR (2024) draft decision.</p> <p>We also propose to remove the definition for “ISA (NZ) 550” as this term is not needed.</p> | Agree with the proposed amendment. |
| Other | <p>Our draft decision is to align existing audit and director certification obligations in the ID determination to the verification framework. Proposed amendments are explained from paragraph 3.242</p> | Agree with the proposed amendment. |