

From: Regulatory Team <[REDACTED]>

Sent: Wednesday, August 28, 2024 1:48 PM

To: Infrastructure Regulation <infrastructure.regulation@comcom.govt.nz>

Cc: Emma Wilson <[REDACTED]>; Nathan Hill <[REDACTED]>

Subject: DPP4 Innovation and non-traditional solutions allowance: follow up comments from Powerco

[REDACTED]

[REDACTED]

To: Ben Woodham, Electricity Distribution Manager

Thanks to you and the team for hosting the workshop on 14 August and providing the opportunity to discuss design elements and guidance for INTSA. Powerco does not have further detailed submissions, but takes this opportunity to highlight:

1. Powerco attended the workshop and considers key points for both the determination and guidance were raised during the workshop
2. An additional allowance for collaborative projects would be supported
3. We support the approach of the detailed guidance on INTSA being separate non-regulatory guidance rather than in the determination itself, this would enable some flexibility and adjustment during the period. We see significant opportunity for clarity, directing applications with an appropriate level of analysis, and supporting more applications to be made if guidance provides additional info to the determination. In our view the draft guidance circulated does not do this yet. We strongly recommend including more project examples for different types/categories of projects in the guidance and building on this as applications are approved. We support the Commission working with ENA (as suggested in the workshop) to develop some examples. Powerco would welcome the opportunity to work with the Commission to develop the draft guidance.
4. We endorse key points raised in the workshop for clarification in the guidance: tracking (+ setting) application process timeframes; differentiating between complex and non-complex projects; accounting for phased projects in all requirements; flexibility on when a project 'commences' to ensure the innovation/project process is not disrupted due to lodgement or approval timing constraints; boundaries such as timeframes around the 'no financial benefit' test; using ENA (eg FNF) for sharing learnings with costs for this included in application; not ruling out duplicated projects eg where different EDBs meet the criteria; not being prescriptive on how authorisation to submit the application is demonstrated or by who; flexibility for projects spanning more than one regulatory period; ensuring scope in approvals for projects to vary as they progress; timeframe for closeout report to be project specific; more clarity on scope for energy efficiency projects

5. Powerco notes that a number of points on INTSA criteria and approach were made in our July submission and these remain relevant.

We look forward to the opportunity for input on the guidance as it progresses over the next few months, and encourage its availability in advance of 1 April 2025 to enable early preparation of applications.

Ngā mihi

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