



3 August 2022

Process and Issues Paper/Draft Framework: Cross Submission

Introduction

Electra Limited (Electra) welcomes the opportunity to submit this cross submission on submissions to the Commerce Commission's Part 4 Input Methodologies Review 2023, Process and Issues Paper, and Draft Framework.

Electra owns and operates the electricity lines and assets in the Kapiti and Horowhenua districts. We are locally owned through the Electra Trust and have 45,700 beneficiaries that are the consumers connected to our network. We are an exempt electricity distribution business (EDB) under s54G(2) of the Commerce Act 1986 (the Act).

Our exempt status means that several issues raised by the Commission's consultation (i.e., facets of price-quality regulation) do not directly impact us. Our views on the substantive matters were expressed in the industry feedback provided by the Electricity Networks Association (ENA), and accordingly, we did not submit.

That is not to say that we are not interested in the input methodologies (IMs) review. We have read through the submissions and found the discussion insightful. Of the many issues raised by submitters, SmartCo¹ and Mercury² raised the issue of access to metering data, an issue of particular concern to us.

Over the years, we have submitted on access to metering data in several other consultations to the Commerce Commission and the Electricity Authority. Most recently, we raised the issue again at the Network Transformation Key Stakeholder Liaison Group, in Wellington, on 26 July, at which the plethora of attendees included the Commerce Commission, Electricity Authority, and Climate Change Commission.

Unfortunately, access to metering data remains unresolved, and we believe it to be an issue that, if unresolved, has the potential to impede the electricity industry in its delivery of New Zealand's decarbonisation goals. Making access to metering data is an important issue for the Commission to consider as part of this IMs review and accordingly is the subject of this cross submission.

¹ SmartCo, Process and Issues/Draft Framework submission — SmartCo Limited, 27 June 2022.

² Mercury, Process and Issues/Draft Framework submission, 11 July 2022.

Why do we want access to metering data?

We believe that visibility on our low voltage networks is paramount if we are to support distributed energy resources (DER) appropriately and effectively on our network. We view DER as vital to New Zealand realising its decarbonisation goals.

1. In 2021, under our Energy Transformation Strategy, we developed a roadmap based on three scenarios reflecting the pace of electrification. The development of our roadmap once again highlighted the issue of lack of visibility on our low voltage network.

We used raw inputs from Transpower's Whakamana I Te Mauri Hiko — Empowering our Energy Future³. However, during the development of our regional plan, it became apparent that the lack of low voltage information would impact our ability to complete our studies, which also extended to consideration of future requirements.

We went to each retailer and MEP on our network to request the data we were after. This approach failed to provide the data we were after.

As an alternative approach, we collaborated with Chorus to develop PowerSense. A Chorus product that, through an optical network termination (ONT), provides the last gasp and first breath signals that feed into our ADMS, improving fault predictions. We have also deployed our LoRa WAN and installed hundreds of phase loss indicators (last gasp and first breath) onto our low voltage network.

We are ready for the increased electrification needed to support New Zealand's decarbonised future. Timely and least-cost access to metering data is a foundation on which we will deliver on consumers' expectations at a price they are willing to pay and at the standard they expect.

Why is access to metering data a problem?

It appears that SmartCo shares a similar view to Electra in that—

"With the anticipated increase in electricity consumption that a low carbon economy causes, EDBs should be preparing themselves with network designs and operating methodologies that can maintain network grid resilience, meet the demands of consumers and generators, and manage electricity demand and power quality on their networks. However, for this, EDBs need access to timely [and] relevant information."⁴

[And]

"Without access to appropriate metering data, EDBs are unlikely to be in a position to develop effective non-network alternatives. Developing these alternatives is critical to developing New Zealand's decarbonisation and renewable energy goals and providing long-term benefit to consumers."⁵

The problem arises because not all electricity distribution businesses (EDBs) own meters; many, including us, depend on negotiating arrangements with electricity retailers to access metering data via meters owned by meter equipment providers (MEPs).

We acknowledge that the Electricity Authority tried to tackle the metering data access issue through changes to the default distributor agreement (DDA) in 2020 by including a reference to 'on agreeable commercial returns' in the amended DDA. However, in our experience, this has resulted in sub-optimal outcomes.

³ More information can be found on the Transpower website at [Whakamana i Te Mauri Hiko - Empowering our Energy Future. | Transpower](#)

⁴ Supra n1, paragraph 2.3.

⁵ Supra n1, Paragraph 2.4.

SmartCo highlighted the issue in its submission—

"We have attempted to obtain retailer consent using bilateral agreements to provide metering data for EDBs that include information on outages, voltage, current harmonics, reactive and active electricity flows. **We have found obtaining approval from retailers impossible.**"⁶ [Emphasis added]

And Mercury, in its submission, argued the counterfactual and stated that—

"...retailers do not contract for or hold all data that distributors might find valuable to ensure the reliability of their networks, such as voltage or real-time outage information, which **distributors must contract directly with [MEPs] to obtain.**"⁷ [Emphasis added]

These two submissions show the disparity of industry views as to where the 'problem' lies. Is the problem the MEPs who hold data and can release it under commercial terms but aren't, as proposed by Mercury? Or does the problem lie with the retailers who have entrapped MEPs, as is being suggested by SmartCo? Either way, EDBs are not accessing the metering data they need, and consumers are being disadvantaged.

Is there a justification to regulate access to metering data?

Distributors are responsible for delivering customers safe, reliable, and affordable power. It is in the long-term best interests of consumers that we fulfil our obligations at the lowest cost possible.

We agree with SmartCo that regulation of access to metering data is required to enforce the availability of data to distributors—

"Retailers have concerns over privacy, data security, and data use. **It appears that the only solution is a regulated solution that provides EDB access to relevant information,** but also includes obligations for the EDB to maintain privacy and security of information and to ensure that information is only used for the purpose it is collected for. This could build on the data access requirements set out by the Electricity Authority in Schedule 10.6 of the Electricity Industry Participation Code 2010."⁸ [Emphasis added]

We also agree with Mercury's statement—

"...the capex focused regulatory regime may act as a barrier to distributors purchasing this information from MEPs."⁹

Access must be at least cost

It is encouraging that Mercury supports distributors gaining access to metering data—

"Mercury supports the IM process **allowing for the recovery of distributor's reasonable costs of acquiring network performance data from MEPs for the LV network** given this will have positive consumer outcomes."¹⁰ [Emphasis added]

However, we believe that metering data should not be treated as an asset, or a commodity owned by either the retailer or the MEP. There is a real risk that the commoditisation of metering data will lead to higher costs to serve. And such an outcome is not in the long-term best interests of consumers.

⁶ Supra n1, Paragraph 2.5.

⁷ Supra n1, page 2.

⁸ Supra n2, Paragraph 2.5.

⁹ Supra n2, page 2

¹⁰ Supra n2, page 2

Access to metering data must be provided at the least cost. Any other arrangement is not in the long-term best interests of consumers.

Closing comments

Access to metering data is not a new issue. As an industry, this issue has been passed between regulators for years with no satisfactory outcome. In its submission, SmartCo succinctly highlighted the need to resolve this issue and the risk of failing to do so—

"EDB access to relevant information is necessary to support New Zealand's decarbonisation and renewable energy goals, and directly supports EDB investment in their networks."¹¹

[And]

"Failure to provide this access will lead to sub-optimal consumer outcomes, this is not in accordance with either the Commerce Commission or Electricity Authority statutory objective."¹²

Metering data is consumer information that needs to be shared to facilitate a better outcome for consumers. We agree with Mercury that—

"...addressing this is an important issue that should be elevated in this Review."¹³

We urge the Commission to take the opportunity over its IMs review to resolve the issue of access to metering data.

Should you have any questions, please contact Dylan Andrews, General Manager - Lines Business, in the first instance at dylan.andrews@electra.co.nz.

Sincerely



Dylan Andrews
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¹¹ Supra n1, Paragraph 3.2.

¹² Supra n1, Paragraph 3.3.

¹³ Supra n2, page 2.