

Targeted Information Disclosure Review (2024) – Electricity Distribution Businesses

Process paper

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Associated documents

Publication date	Reference	Title
1 October 2012	N/A	NZCC 22 Electricity Distribution Information Disclosure determination 2012
1 October 2012	ISBN 978-1-869452-09-4	Information disclosure for EDBs and GPBs – Final Reasons Paper
24 March 2015	ISSN 1178-2560	[2015] NZCC 6 Amendment to the Electricity Distribution Information Disclosure Determination 2012
24 March 2015	ISBN 978-1-869454-42-5	Amendments to information disclosure determinations for electricity distribution and gas pipeline services – Final reasons paper
21 December 2017	ISSN 1178-2560	[2017] NZCC 33 Electricity distribution information disclosure amendments determination 2017
21 December 2017	ISBN 978-1-869456-21-4	Amendments to information disclosure determinations for airport services, electricity distributions services, and gas pipeline services – Companion paper
29 April 2021	N/A	Open letter – Ensuring our energy and airports regulation is fit for purpose
31 August 2021	ISBN 978-1-869458-75-1	[2021] NZCC 12 Electricity Distribution Information Disclosure (Aurora Energy Limited) – Amendment Determination
31 August 2021	ISBN 978-1-8694591-24-6	Aurora Energy Limited – Additional Information Disclosure Requirements – Reasons paper
12 October 2021	N/A	Open letter on priorities for Energy and Airports – Summary of key themes from submissions
9 December 2021	ISBN 978-1-869459-59-8	Electricity Distribution Information Disclosure Determination 2012 – Consolidated version
22 February 2022	N/A	Ensuring our energy and airports regulation is fit for purpose
23 March 2022	ISBN 978-1-869459-96-3	Targeted Information Disclosure Review - Electricity Distribution Businesses – Process and Issues Paper
25 November 2022	ISBN 978-1-99-101247-0	Targeted Information Disclosure Review – Electricity Distribution Businesses – Final decisions paper – Tranche 1
25 November 2022	ISSN 1178 – 2560	[2022] NZCC 36 Electricity Distribution Information Disclosure (Targeted Review Tranche 1) Amendment Determination 2022
18 May 2023	ISBN 978-1-99-101297-5	Electricity Distribution Information Disclosure Determination 2012 – Consolidated version

Commerce Commission
Wellington, New Zealand

This paper provides an update on the scope, process and timing of the targeted information disclosure review for electricity distribution businesses

1. This paper recaps the work done to date and provides an update on the scope, process and timing of the next phase of our targeted information disclosure (ID) review (TIDR) for electricity distribution businesses (EDBs). We also provide a brief summary on other work relating to ID for EDBs we intend to undertake in future.
2. In the course of the TIDR work, we have identified a number of potential changes to the ID determination that can improve or clarify the requirements in a way that better reflects the purpose of ID regulation.¹ We now consider that our work on amending the ID requirements for EDBs would be better described as ongoing, rather than the targeted review in two tranches we signalled in our March 2022 Process and Issues paper (PIP).² We provide further explanation on this change in process in paragraphs 17 to 22 below.

We are reviewing ID requirements for EDBs to ensure they remain fit for purpose as the external context changes

3. The Commerce Commission (Commission) regulates electricity distribution business under Part 4 of the Commerce Act 1986 for the long-term benefit of consumers. We regulate EDBs through setting price-quality paths and information disclosure requirements.
4. Under ID regulation, we set requirements for EDBs to regularly publicly disclose information about how they are performing, including how they are responding to changing consumer demands and planning for the future.
5. We are reviewing the ID requirements for EDBs to ensure that sufficient information is available for stakeholders to assess EDBs' performance and to ensure the ID requirements remain fit for purpose in a changing environment.³
6. Our TIDR is informed by our growing experience of ID regulation and engagement with stakeholders.⁴ We value the clarity, comprehensiveness, and depth of engagement stakeholders have contributed to the TIDR and our wider ID work programme.

¹ NZCC 22 *Electricity Distribution Information Disclosure determination 2012* (principal determination), including all amendments as at 18 May 2023. A consolidated version of the principal determination that includes all amendments as at 18 May 2023 can be accessed on our website [here](#).

² Commerce Commission "[Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper](#)" (23 March 2022), paras 1.26-1.28.

³ Commerce Act 1986, Part 4, ss 53A and 52A.

⁴ The current ID requirements for EDBs were determined in October 2012 with changes made subsequently to address certain issues. The current ID requirements for EDBs are available on our website [here](#). We have also published multiple pieces of performance analysis using ID data, available on our website [here](#).

7. The energy sector is in a period of change, particularly in relation to the transition to a low carbon economy and other impacts of climate change, and the challenges and opportunities posed by new technology.⁵
8. We sought feedback from stakeholders on how our Part 4 ID regulation should adapt to a changing environment in our April 2021 open letter and December 2021 workshop on the impacts of decarbonisation.⁶
9. We launched the TIDR in a letter to stakeholders in February 2022.⁷
10. Our 2022 PIP sought stakeholder views on potential changes that targeted four interconnected themes:⁸
 - 10.1. **Quality of service:** expand measures of quality to capture the consumer’s full experience and improve the consistency of reporting across EDBs;
 - 10.2. **Decarbonisation:** reflect changing use of electricity and new technology;
 - 10.3. **Asset management:** shine a light on EDBs’ preparedness for the future, including network resilience challenges posed by climate change; and
 - 10.4. **Alignment of ID** with other regulatory rules.
11. Our 2022 PIP proposed categorisation of potential changes to the ID requirements into two tranches.⁹ Our intention was to prioritise and phase different elements of the TIDR with a view to putting high impact or time sensitive changes in place first.

⁵ Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper](#)” (23 March 2022), paras 1.7-1.13.

⁶ Commerce Commission “[Open letter—ensuring our energy and airports regulation is fit for purpose](#)” (29 April 2021); Commerce Commission “[Open letter on priorities for energy networks and airports – Summary of submissions received on letter published 29 April 2021](#)” (7 December 2021); Commerce Commission “[Summary and feedback on workshop on the impact of decarbonisation on electricity lines services – 7 December 2021](#)” (1 February 2022).

⁷ Commerce Commission “[Ensuring our energy and airports regulation is fit for purpose](#)” (23 February 2022).

⁸ Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper](#)” (23 March 2022).

⁹ Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper](#)” (23 March 2022), paras 1.26-1.28.

Our final decisions on Tranche 1 issues will ensure stakeholders can access better information about EDBs’ quality of service, asset management practices, and preparation for the future

12. In November 2022 we published our final decision on Tranche 1 of the TIDR which refined and expanded existing ID requirements.¹⁰ The key aspects of these final decisions are:
- 12.1. **Quality of service:** we have refined reporting requirements on quality of service to improve the accuracy of disclosed information such as clarifying definitions to ensure successive interruptions are recorded consistently. We have also expanded requirements to capture different dimensions of quality such as connection and customer service information;
 - 12.2. **Decarbonisation:** we have expanded reporting requirements to capture more information on innovation and managing new network connections; and
 - 12.3. **Asset management:** we have refined reporting requirements on asset management to capture more comprehensive and consistent information on EDB practices and capability, such as requiring information on vegetation management, decommissioning data and operational expenditure on cybersecurity (the latter disclosure is to the Commission only).

We held an in-person technical elements workshop to better understand issues raised by stakeholders in submissions

13. We held our technical elements workshop in March 2023 which gave stakeholders the opportunity to provide additional background information and discuss issues that had been raised in submissions on our Tranche 1 draft report, but not resolved, in the following areas:¹¹
- 13.1. asset management plan (AMP) requirements;
 - 13.2. new connection measures;
 - 13.3. breaking down System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) values;
 - 13.4. network visibility and information; and
 - 13.5. vegetation management.

¹⁰ Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Final decisions paper – Tranche 1](#)” (25 November 2022). A summary table of final decisions is on page 21.

¹¹ Commerce Commission “[Targeted Information Disclosure Review – Tranche 2 – Technical elements workshop presentation](#)” (27 March 2023); Commerce Commission “[Targeted Information Disclosure Review – Tranche 2 – Technical elements workshop notes](#)” (27 March 2023).

We have published a non-material amendment determination and an Issues and guidance register

14. We indicated in the 2022 PIP that we planned to address a number of small ID issues we were already aware of (eg, clarifying definitions).¹²
15. As part of submissions on the Tranche 1 draft reasons paper, we heard strong calls for us to further prioritise this work.¹³ We made these changes in April 2023, publishing a non-material amendment determination clarifying existing requirements and correcting minor drafting and typographical errors.¹⁴
16. The EDB Information Disclosure – Issues and guidance register (Issues register) was published alongside the non-material determination.¹⁵ The Issues register responds to stakeholder feedback that results in ID amendments; provides guidance and clarification on certain existing ID requirements and lists outstanding issues that may be considered for future reviews.

Our review of ID requirements for EDBs will be ongoing and undertaken in multiple phases with appropriate prioritisation of issues

17. Through the consultation process during the Tranche 1 work and subsequent engagement with stakeholders at the technical elements workshop in March 2023 we have identified a large number of potential changes to the ID determination that can improve or clarify the requirements in a way that better reflects the purpose of ID regulation.¹⁶
18. Further changes to the EDB ID requirements may also be required following the completion of the Part 4 Input Methodologies review which is currently under way.¹⁷

¹² Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Process and Issues paper](#)” (23 March 2022), para 1.22.

¹³ Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Final decisions paper – Tranche 1](#)” (25 November 2022), para 1.24.

¹⁴ Commerce Commission “[Explanatory note for publication of non-material amendments to Electricity Distribution Information Disclosure Determination](#)” (27 April 2023) and [Electricity Distribution information Disclosure \(Non-material\) Amendment Determination 2023 \[2023\] NZCC 6](#) (27 April 2023).

¹⁵ Commerce Commission “[EDB Information Disclosure - Issues and guidance register](#)” (27 April 2023). We intend to update the Issues Register and publish it alongside our draft decisions by the end of July 2023.

¹⁶ We noted that we did not completely address some issues in our Tranche 1 final decision and signalled that we intend to follow up in “Tranche 2” or in a future project. See Commerce Commission “[Targeted Information Disclosure Review – Electricity Distribution Businesses – Final decisions paper – Tranche 1](#)” (25 November 2022), para 2.3 and Attachment B.

¹⁷ You can read about the IM review on our website [here](#).

19. We now consider that our work on amending the ID requirements for EDBs would be better described as ongoing, rather than as a targeted review in two tranches. We do not consider it practical to attempt to address all identified issues in a single Tranche 2 because:
 - 19.1. of the number of issues identified; and
 - 19.2. potential solutions may still be evolving.
20. We intend for each review to target the issues that at the time are considered to have the highest benefits to consumers and/or strategic importance for the industry. We will keep stakeholders updated on the overall list of issues we have identified for consideration and, where possible, the sequence in which we intend to address these.¹⁸
21. We acknowledge that stakeholders may have diverse views on the relative importance or urgency of specific issues and that some important issues may not be included in the scope for the next review. In some cases, this is because we would like to engage with the industry and experts further before we start developing solutions – see also paragraphs 29 to 38 below.
22. To reflect this amended approach to the TIDR we intend to move away from grouping and labelling issues into “tranches”. In any year in which we undertake a review, we will refer to the year in which the amendment determination is expected to be published, ie, going forward we will refer to this next phase of the TIDR as “Targeted Information Disclosure Review (2024)” rather than “Targeted Information Disclosure Review (Tranche 2)”.

TIDR (2024) will focus on information related to decarbonisation, asset management and quality

Scope

23. Based on stakeholder feedback on the 2022 PIP, Tranche 1 submissions and our technical elements workshop, we are planning to include the proposed changes listed below in TIDR (2024).

¹⁸ We intend to keep stakeholders updated by periodically updating the [Issues Register](#) on our website.

Table 1. Proposed scope for TIDR (2024)

Category	Reference used in Tranche 1 reasons paper ¹⁹	Description of proposed change
Decarbonisation	D3	Network constraints Extend ID requirements so they will allow stakeholders to comprehend whether EDBs understand their network constraints, have a plan for addressing those constraints, and how they communicate their constraints with potential new connecting parties and flexibility service providers.
Decarbonisation	D5	Work and investment on flexibility resources Extend ID requirements from reporting on activities that relate to distributed generation to reporting on the EDB's investigations and investments into all "flexibility resources" including demand response services.
Decarbonisation	D6	Standardised pricing components and transmission costs Refine current requirements by providing standardised price components and/or price categories that EDBs can record revenue against, including those related to the transmission charge component of EDB prices. Include a free field for revenue that does not fit one of the standardised categories or components.
Asset Management	AM6	Vegetation management Capture consistent information that measures and demonstrates vegetation management for stakeholders. Metrics provide an understanding of risk exposure and effectiveness of vegetation management strategies. ²⁰

¹⁹ This reference is provided to help stakeholders identify more easily which of the issues listed in Attachment B of the [Tranche 1 reasons paper](#) are listed here as we may have refined the descriptions of the proposed changes. We do not intend to use these references in future and instead will use a reference to the Issues Register.

²⁰ The tree regulations are currently under review by The Ministry of Business, Innovation and Employment (MBIE), the outcome of which may affect the information we seek under ID.

Category	Reference used in Tranche 1 reasons paper ¹⁹	Description of proposed change
Quality	Q14	Raw outage data Extend ID requirements to include the provision of data by all (rather than just non-exempt) EDBs on individual supply outages and require such data from all EDBs more frequently than once every five years. ²¹
ID Alignment	N/A	Definition of gains/losses on asset disposals Amend the definition of gains/losses on asset disposals to reduce the risk of a supplier misinterpreting the related party valuation requirements in IM clause 2.2.11.

24. We may also take the opportunity to make minor improvements/clarifications to the determination that we have identified.

Indicative timeline

25. We intend to publish a draft decision by the end of July 2023. The draft decision will include:
- 25.1. a draft determination reflecting the changes to ID necessary to implement the changes proposed; and
 - 25.2. a reasons paper explaining the rationale for those changes.
26. By the end of July 2023, we also intend to publish an updated Issues Register, including a list of outstanding issues that may be considered for future reviews.²²
27. The draft decision will be followed by a four-week submission period and a two-week period for cross-submissions after the submissions are made public on our website.

²¹ At present, such data is provided to the Commission by non-exempt EDBs in advance of a price-quality path reset.

²² Attachment B of the [Tranche 1 reasons paper](#) included a list of issues we had identified and proposed to consider in TIDR (2024). We intend to address the five issues from Attachment B listed in Table 1 above. Where appropriate, outstanding issues from Tranche 1 will be included in the next update of our Issues Register.

28. In Table 2 below we set out the key dates of this TIDR process.

Table 2. Key dates and milestones for TIDR (2024)

Indicative date	Publication/event
27 Jul 2023	Draft reasons paper, draft ID amendment determination and updated Issues Register published
24 Aug 2023	Submissions due (4 weeks)
14 Sep 2023	Cross-submissions due (2 weeks)
Q1 2024	Final decisions

As part of our wider ID work programme, we are carrying out work on a broader range of issues to ensure our ID requirements remain fit for purpose

29. This work includes:

- 29.1. the review of the 2023 AMPs provided by the EDBs, including reflection of how our ID requirements for AMPs encourage and enable best practice;
- 29.2. periodic reviews for incremental minor improvements of the ID requirements, including error corrections and clarifications, if appropriate. (We have previously referred to these reviews as a ‘tidy-up’).

Review of the 2023 asset management plans

30. We intend to seek external expert support in undertaking our review of the AMPs which will begin in mid-2023, including to identify recommendations on areas to improve our ID requirements to ensure AMPs remain fit for purpose. We note that this independent review will also cover areas relevant to the reset of the default price path.²³
31. Under our ID requirements, EDBs must publicly disclose AMPs, which provide a forward-looking view of how EDBs intend to invest in, maintain and operate their networks for consumers, and includes forecasts of future expenditure over a 10-year horizon.²⁴

²³ Commerce Commission “[Default price-quality paths for electricity distribution businesses from 1 April 2025 – Proposed process](#)” (25 May 2023).

²⁴ NZCC 22 *Electricity Distribution Information Disclosure determination 2012* (principal determination), including all amendments as at 18 May 2023, Part 2, clause 2.6. A consolidated version of the principal determination that includes all amendments as at 18 May 2023 can be accessed on our website [here](#).

32. The Commission regularly reviews AMPs to monitor the compliance and performance of the EDBs, and to ensure that the AMPs are fulfilling the purpose of information disclosure (essentially that sufficient information is available for interested persons to assess whether the purpose of Part 4 is being met). Further, the EDBs' AMPs are useful for understanding EDBs approaches to significant issues such as resilience and climate change.
33. The review of the 2023 AMPs holds particular significance as some EDBs have disclosed AMPs with large step changes in forecast expenditure relating to decarbonisation through electrification and in adapting to climate change, as well as reflecting other areas of increased risk such as natural hazards, supply chain and cyber security.
34. Resilience is very important, and we will again be looking at resilience as part of our review of AMPs. There are already some ID requirements in place, and we don't intend to make any resilience-related ID changes in TIDR (2024).
35. The process of reviewing the 2023 AMPs will include engagement with EDBs to support any desktop analysis.

Incremental improvement reviews

36. We intend to periodically consider whether initiating an incremental improvement review for the ID requirements under Part 4 is appropriate. We are likely to initiate such reviews at a time when we have sufficient number of issues that can be addressed through the review.

Scope of future targeted ID reviews

37. The issues we plan to address through TIDR (2024) are a subset of all potential changes to the EDB ID determination that have been identified by us or stakeholders since we initiated the TIDR in 2022. We acknowledge there are other important issues that stakeholders are interested in resolving.
38. We anticipate that future reviews will focus on:
 - 38.1. changes that may be required to align EDB ID requirements to changes in the Input Methodologies currently under review;²⁵
 - 38.2. recommendations that may emerge from the external review of 2023 AMPs discussed at paragraphs 30 to 35 above;

²⁵ Information on the [2023 Input Methodologies Review](#) is available on our website.

- 38.3. issues that we considered in the Tranche 1 process but remain unresolved because we believe that the context and potential solutions may be still evolving, such as innovation; and
- 38.4. issues that we identified in the Tranche 1 process that whilst not in scope for TIDR (2024) have significant benefits to consumers and/or strategic importance for the industry such as network resilience and contingency planning and low voltage (LV) network information.

We intend to keep stakeholders informed of any issues/potential changes through regular updates in our Issues Register

- 39. We intend to keep stakeholders informed of any issues / potential changes identified through regular updates in our Issues Register.²⁶ This will give stakeholders visibility of the pipeline of issues to be resolved in future ID reviews and, where relevant, how the issues have been resolved.

²⁶ Commerce Commission "[EDB Information Disclosure - Issues and guidance register](#)" (27 April 2023), worksheet titled "Issues for further consultation".