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Manawa Energy's Cross Submission on Default Price-Quality Paths for Electricity Distribution Businesses from 1 April 2025

Introduction

Manawa Energy (**Manawa**) welcomes the opportunity to provide a cross-submission to the Commerce Commission (**Commission**) on its *Default price-quality paths for electricity distribution businesses from 1 April 2025* issues paper (**Issues Paper**).

The focus of this cross-submission is on the feedback that was provided to the Commission on its proposed approach of setting the quality standards for DPP4 on a basis consistent with DPP3. Manawa is of the view that the current quality standards framework needs to be revisited as part of this review. Feedback to the Commission from a large number of parties supports this view, as outlined below.

Submission

While the drivers behind arguments varied, there were a number of points raised in submissions that support the need to review the quality standards settings in DPP4.

- Both the IEGA and FlexForum submitted in alignment with Manawa that the current whole of network approach is not fit for purpose. The IEGA sees that it can “camouflage poor performance that is having a substantial impact on consumers” and FlexForum also notes that it is “not necessarily in the long-term benefit of consumers.”
- Even parties such as MEUG who see that the existing approach is sufficient for the DPP4 review consider that it may not be an enduring approach. It notes that as New Zealand continues to electrify it would be “sensible for the electricity system to review quality standards and determine if the current planning and “N-1” approach is still sufficient and acceptable to consumers.”
- The above point around what is sufficient and acceptable to consumers was a common theme in many submissions with Powerco highlighting that the current quality standards are limited in their ability to capture the experience of many of its customers and the effectiveness of the incentives to improve network performance. Vector is also in agreement that the current aggregate measures are “not particularly consumer centric”.
- SAIDI and SAIFI in particular were called out by parties as not being as effective as they could be. For example:
 - Powerco see that as they are applied currently, the broad averages “do not reflect variances in service quality across different parts of networks, wholly exclude outages

that occur on the low voltage network and do not afford any form of weighting to customers' consumption levels or their varying value of supply. The overall impact of this inhibits effective management or well-targeted investment for service quality reasons."

- SolarZero sees they need to be reconsidered too as the traditional approach does not support situations where, for example, it might be more cost-effective to support the uptake of solar and batteries from a resilience perspective than to invest in upgrading the network.
- Solar Zero's resiliency argument appears to have also been considered by NZIER. Quality standards was not a focus of NZIER's submission, but it did comment that the approach should align with New Zealand's response to climate change resiliency.

The above points are not the only arguments raised in submissions but together they paint a clear picture that particularly in the context of electrification and resiliency, it is critical the DPP4 review considers the quality standards framework. This review is crucial to ensure the electricity industry stays in step with customers changing needs.

If you have any questions regarding the content of this submission, please contact Grace Burtin, Regulatory Manager.