

10 October 2008

Electricity Commission  
Level 7, ASB Bank Tower  
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Wellington

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**SUBMISSION ON PART D REVIEW – ISSUES AND POSSIBLE OPTIONS  
DISCUSSION PAPER**

- 1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the Part D review discussion paper (the **paper**) released by the Electricity Commission (the **Commission**) in September 2008.
- 2 Our submission is in two parts:
  - 2.1 general comments; and
  - 2.2 our response to the specific questions raised in the paper, which we set out in the schedule to this letter.

**General comments**

***Fundamental issues raised in the paper should be given separate consideration***

- 3 We are particularly concerned to see that a major issue such as the possible allocation of the responsibility for metering infrastructure to local network owners is buried within the paper.
- 4 The paper may attract little attention from participants who would be affected significantly by this potentially far reaching change.
- 5 We consider that the issue of responsibility for metering infrastructure merits a consultation paper in its own right, due to its significant

competition impacts and Commerce Act implications for ELBs.

***Orion supports the need for a review of the Part D rules***

- 6 In general we support the proposal that a review of the rules in Part D is required. In particular, we agree with the Commission's view that:
  - 6.1 the trend towards convergence of communications, metrology, data handling and load control at consumers' premises requires a review of the way data is collected, transported, stored, and used (for reconciliation, switching, and regulation). The responsibilities for these roles need to be clearly identified and allocated; and
  - 6.2 a review of part D is also necessary because rules need to keep abreast of regulatory and technological changes.
- 7 However, we consider that the review lacks a clear vision of what the Commission seeks to achieve.
- 8 We note that the review will occur at a time when a rapid increase in the deployment of advanced metering is proposed. New Zealand appears to be unique in the market led deployment of advanced meters, with media reports suggesting retailers have already started or are planning their residential meter deployment strategies; a recent report by the PCE suggests a planned roll out of 1.55 million advanced meters by 2013, which is approximately 80% of the current New Zealand metering stock.
- 9 This suggests that a clear focus of any review must be to manage this transition over the next few years to ensure that:
  - 9.1 customer interests are protected;
  - 9.2 appropriate meter accuracy standards are maintained; and
  - 9.3 existing environmental benefits<sup>1</sup> provided by (and generally generically similar to those listed against smart metering) ripple control systems coupled with multi-rate meters are not lost.

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<sup>1</sup> Benefits include a reduction in greenhouse gas emissions and a reduction or deferral in infrastructure investment (generation and transmission/distribution) through customers forgoing or conserving electricity use or moving their usage to off-peak times, especially at night.

### ***Comments on guiding principles for Part D review***

- 10 The purpose of the paper is to seek views on several key issues identified by the Commission as part of its consideration of the need to review existing metering regulation in light of advances in technology. The Commission has stated it will finalise the scope of the project to review Part D after receipt and analysis of the responses to the paper.
- 11 As part of the process, the Commission has proposed a number of guiding principles. The Commission states<sup>2</sup> that in developing the guiding principles, it has had particular regard to the consumer protection components of the GPS. We do not consider that either the guiding principles, or the paper as a whole, consider consumer issues sufficiently.
- 12 We consider that the guiding principles should be enhanced in several key areas and should specifically include consideration of:

#### **12.1 protection of consumers' interests**

- (a) one of the fundamental purposes of Part D is to provide standards in relation to the appropriate accuracy of metering at a consumer's premises, and therefore provide the appropriate assurance to consumers that the industry is correctly measuring the consumer's electricity consumption and subsequently billing correctly for the electricity
- (b) the collection of data from advanced metering systems will inherently create data privacy issues for consumers that the Commission will need to address
- (c) security of the meters' communication systems.

#### **12.2 costs and benefits**

- (a) how the costs and benefits arising from any changes to the Commission's policy/rules arising from the Part D review will be allocated
- (b) in particular, where the review considers changing ELBs' regulatory responsibilities under the EGRs, the Commission

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<sup>2</sup> Paragraph 2.1.2 of the paper

must consider the impact of these changes in light of the Commerce Commission's price control regulation

- (c) any change in the risk profile (required WACC) or increased costs to an ELB, as a result of the review, must take into consideration the ability of ELBs that are under price control to continue to comply with the Commerce Act.

#### 12.3 **encouraging greater competition**

- (a) metering services and data handling services should be included in the guidelines. The Commission should also consider whether there is sufficient competition in these markets to provide appropriate downwards pressure on prices.

#### 12.4 **promoting economic and energy efficiency**

- (a) the guidelines need to include the consideration of both economic and energy efficiency

#### 12.5 **promoting innovation**

- (a) the guidelines need to include the promotion of innovation

- 13 We also consider that where the Commission screens issues to determine relevance and materiality under the guidelines, it should provide its reasons for any issues that it ultimately rejects under the guidelines.

#### ***Load control***

- 14 The Commission's comments in relation to load control devices appear to be based on the concept of ripple relays that are permanently wired to a device such as a hot water cylinder. However, load control devices that respond to ripple signals can now be plugged into a standard three pin socket and control any suitable appliance. We believe that certification of such devices would be impracticable and unwarranted.
- 15 Load control of appliances such as domestic hot water cylinders is currently essential for the security of New Zealand's electricity system. The

greatest value from existing load control is security of supply.<sup>3</sup> As such, it is essential that ELBs maintain an ability to control such loads and ensure that load control devices function when required.

- 16 The paper appears to raise again the issue of reliability of existing ripple systems. While we recognise that there may be reliability concerns, we have not noted any significant fall off in response to our load management operations. We do note however that reliability of alternatives to ripple signalling (GPRS) is typically inferior and these systems are unsuitable for load management.

### **Concluding remarks**

- 17 Thank you for the opportunity to make this submission. Orion does not consider that any part of this submission is confidential. If you have any questions please contact Dennis Jones (Industry Developments Manager), DDI 03 363 9526, email [dennis.jones@oriongroup.co.nz](mailto:dennis.jones@oriongroup.co.nz).

Yours sincerely



Dennis Jones  
**Industry Developments Manager**

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<sup>3</sup> VPWG report.

Q	Question	Comment
1	<p>The Commission seeks comments on the guiding principles for the part D review project. Please give reasons for your view.</p>	<p>We are concerned that the guiding principles do not limit the scope of the review; rather they propose that <i>“issues will be canvassed to enable the widest practicable input into the review”</i>. This approach at first glance may be perceived to open debate to the widest possible area, however it is clearly problematic, as the Commission’s second guiding principle illustrates – <i>“Issues will be screened to determine relevance and materiality”</i>.</p> <p>While we agree that it may be necessary to screen issues to determine relevance and materiality, and to keep the scope of the review to a manageable size, we consider that the Commission should provide reasons for rejecting specific issues under this guideline.</p> <p>We consider that the guiding principles could be enhanced in several key areas and should specifically include consideration of:</p> <ul style="list-style-type: none"> <li>• protection of consumers’ interests <ul style="list-style-type: none"> <li>○ one of the fundamental purposes of Part D is to provide standards in relation to the appropriate accuracy of metering at a consumer’s premises, and therefore provide the appropriate assurance to consumers that the industry is correctly measuring the consumer’s electricity consumption and subsequently billing correctly for the electricity</li> <li>○ the collection of data from advanced metering systems will inherently create data privacy issues for consumers that the Commission will need to address</li> <li>○ security of the meters’ communication systems.</li> </ul> </li> <li>• costs and benefits <ul style="list-style-type: none"> <li>○ how the costs and benefits arising from any changes to the Commission’s policy/rules arising from the Part D review will be allocated</li> <li>○ in particular, where the review considers changing ELBs’ regulatory</li> </ul> </li> </ul>

		<p>responsibilities under the EGRs, the Commission must consider these changes in light of the Commerce Commission’s price control regulation</p> <ul style="list-style-type: none"> <li>○ any change in the risk profile (required WACC) or increased costs to an ELB, as a result of the review, must take into consideration the ability of ELBs that are under price control to continue to comply with the Commerce Act.</li> <li>• encouraging greater competition in metering services and data handling services should be included in the guidelines. The Commission should also consider whether there is enough competition in these markets to provide appropriate downwards pressure on prices</li> <li>• promoting economic and energy efficiency             <ul style="list-style-type: none"> <li>○ the guidelines need to include the consideration of both economic and energy efficiency</li> </ul> </li> <li>• promoting innovation             <ul style="list-style-type: none"> <li>○ the guidelines need to include the promotion of innovation</li> </ul> </li> </ul>
2	<p>The Commission seeks comments on the proposed definitions for metering and metering infrastructure. Please give reasons for your views.</p>	<p>We consider that the review should examine the appropriateness of all of the definitions relating to Part D and metering in general, with an aim to consolidate and simplify where possible. We suggest that the previous decision removing the data administrator role from the definitions should be reconsidered as part of this review.</p> <p>It could be useful to consider the definitions in Chapter 7 (Metering) and Chapter 10 (Glossary of Terms) of the Australian National Electricity Rules – particularly Rule 7.3 (Metering Installation Arrangements).<sup>4</sup> While we do not suggest these Australian definitions and rules can or should be</p>

<sup>4</sup> We note that the National Electricity Rules have superseded the Australian National Electricity Code referred to in the Commission’s paper.

		<p>directly translated into the New Zealand regime, they do form a useful touchstone for developing our own definitions.</p> <p>In relation to the proposed new definition of “<i>metering</i>” in paragraph 3.3.6, we are concerned that the definition is vague and imprecise, and we are particularly concerned that “<i>load control</i>” is included in the definition.</p> <p><b>Comment on subpart (a) “<i>Measurement – equipment which includes components and meters</i>”</b></p> <p>We suggest that subpart (a) should be redrafted as it is vague and imprecise. In particular, “<i>component</i>” is not defined. Subpart (a) could be redrafted as follows:</p> <p><b>“<i>Measurement – measurement of active energy and/or reactive energy at a metering installation using a combination of the metering components.</i>”</b></p> <p>This change would require a definition of metering components such as:</p> <p>Metering components:</p> <ol style="list-style-type: none"><li>(1) a <i>current transformer</i></li><li>(2) a <i>voltage transformer</i></li><li>(3) secure and protected wiring from the <i>current transformer</i> and the <i>voltage transformer</i> to the <i>meter</i></li><li>(4) an appropriately constructed panel on which the <i>meter</i> and the <i>data logger</i> are mounted</li><li>(5) a <i>meter</i></li><li>(6) a <i>data logger</i> which may be either internal or external to the <i>meter</i></li><li>(7) auxiliary electricity supply to the meter</li><li>(8) an alarm circuit and monitoring facility</li></ol>
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		<p>(9) a facility to keep the <i>metering installation</i> secure from interference</p> <p>(10) test links and fusing.</p> <p><b>Comment on subpart (b) “Recording – using data loggers, load control devices or other similar recording devices”</b></p> <p>We do not consider that load control devices are recording devices. We suggest that subpart (b) be redrafted as follows:</p> <p><i>“Recording – using a <b>data logger</b> which may be either internal or external to the <b>meter</b>.”</i></p> <p><b>Comment on subpart (c) “Control – of meters and load control devices”</b></p> <p>We consider that the reference to “control” should refer only to control devices external to the meter, that are connected to the meter to enable switching of meter registers.</p> <p>Load control devices such as ripple receivers should be treated separately from metering. Load control devices may consist of programmable time switches internal to common domestic appliances such as dish washers, clothes driers etc, or control devices such as the Enermet plug in ripple relays which can be moved to any socket in the premise to control remote devices.</p> <p>We suggest subpart (c) should be redrafted as follows:</p> <p><i>“Control – of meters register switching by a device external to the meter “</i></p> <p>We acknowledge that advanced meters may include devices for controlling external loads and that it is appropriate for the review to consider load control and its management. However we consider that this should be treated as a stand alone issue.</p> <p>We make the following further points of detail on the definition in relation to subparts (d), (e),(f) and (g):</p> <ul style="list-style-type: none"><li>• The definition should distinguish between on-site and off-site and interim and long-term storage (client server model)</li></ul>
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		<ul style="list-style-type: none"> <li>• The term “<i>raw data</i>” needs to be defined, or is this meant to be raw meter data as already defined?</li> <li>• Communication interface equipment such as a modem, isolation requirements, telephone service, radio transmitter and data link equipment needs to be referenced.</li> <li>• Is subpart (e) “<i>Raw data collection</i>” needed? Shouldn’t this be covered by measurement and communication?</li> <li>• This metering definition is missing the following:             <ul style="list-style-type: none"> <li>○ Security</li> <li>○ Interfaces for manual metering reading</li> <li>○ Interfaces for pre-paid metering.</li> </ul> </li> </ul> <p>We do not suggest that the above is a definitive list, but it instead illustrates that the review should consider the issue of definitions in detail.</p>
3	<p>The Commission seeks comments on the responsibilities for provision of metering installations and responsibility for compliance with codes of practice. Please give</p>	<p>As indicated in our general comments above, we are concerned that a major issue such as the possible allocation of responsibility for metering infrastructure to local network owners is buried within the paper.</p> <p>We note that in Australia it is proposed that the network owner will be responsible for supplying</p>

	reasons for your views.	<p>the metering infrastructure. However this approach was considered necessary to facilitate the economic roll out of advanced metering<sup>5</sup>, and appropriate regulatory provisions have been put in place to remunerate the network owner and protect the asset base.</p> <p>New Zealand is however unique in the market led deployment of advanced meters, with media reports suggesting retailers have already started, or are planning, their residential meter deployment strategies; a recent report by the PCE suggests a planned roll out of 1.55 million advanced meters by 2013, which is approximately 80% of the current New Zealand metering stock.</p> <p>We consider that this issue would merit a consultation paper in its own right, as it has significant competition impacts and Commerce Act implications for ELBs.</p> <p>We are however hopeful that possible allocation of metering infrastructure responsibility to local network owners is not the intent of the Commission's proposal, and instead confusion has arisen due to the vague references in the paper relating to responsibility and allocation of "<i>meter infrastructure</i>" under the proposed new definition.</p> <p>However, we do agree that the issues raised in paragraphs 3.4.1 to 3.4.5 of the paper indicate that the rules are not clear or consistent.</p> <p>In relation to metering at points of connection to the grid, Orion identified in our submission on the transmission benchmark agreement dated 31 July 2006 that there is inconsistency between the requirements of the EGRs and the benchmark agreement (clause 32) in relation to responsibility for metering installations at points of connection to the grid. We consider that the review needs to address metering issues arising from the benchmark agreement.</p>
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<sup>5</sup> We note that the Addendum to the *Strata Report on International Experience with Smart Meters* prepared for the Parliamentary Commissioner for the Environment dated 17 June 2008 indicates the Australian Ministerial Council on Energy ministers have decided against a mandatory rollout of smart metering in Australia due to the uncertainty of the cost benefit analysis.

		<p>Overall we consider that the rules could be clarified by adopting the following approach:</p> <ul style="list-style-type: none"> <li>• Transpower grid owner is responsible for ensuring that a metering installation is provided at each point of connection between the grid and a local network or a direct customer.</li> <li>• Generators are responsible for ensuring that a metering installation is provided at each point of connection between their generators and the grid or a local network</li> </ul> <p>Note: Clause 4 of Schedule 2 of the Electricity Governance (Connection of Distributed Generation) Regulations 2007 prescribes that:</p> <p><i>“The generator must ensure that one or more metering installations are installed that:</i></p> <ul style="list-style-type: none"> <li>○ <i>Separately record any inflows of electricity from the distribution network and any electricity injected into the distribution network.</i></li> <li>○ <i>Fully comply with the rules.”</i></li> </ul> <ul style="list-style-type: none"> <li>• Retailers are responsible for ensuring that a metering installation is provided at each point of connection between its consumers and a local network.</li> <li>• An embedded network owner is responsible for ensuring that a metering installation is provided at each point of connection between its embedded generator and a local network, or another embedded network.</li> </ul> <p>While we recommend that the above parties are responsible for ensuring that a metering installation is provided, the actual provision of the assets that form the metering installation should be open to competition.</p> <p>We consider that the significant specialist knowledge in respect to metering at Transpower’s grid exit points makes it prudent that the grid owner has this responsibility.</p>
4	Is there a need to have a more	Yes. We consider that the approved test house as the certifying party should have significant

	<p>transparent market system so that reconciliation participants trading an installation can gain information on certification and meter attributes to the meter register level? If so, should these records be maintained by metering equipment owners? Please give reasons for your views.</p>	<p>responsibility for making metering information available. The test house, as the party that is certifying the installation, is the party that will have the information required by participants in relation to the metering components' certification.</p> <p>As the Commission has identified, there can be multiple owners of metering equipment at a metering installation. In our opinion this has caused considerable difficulties in relation to certification (see our comments in respect to question 5 below). We do not therefore consider that meter equipment owners are the best people to hold these records.</p> <p>We consider that this is not just an issue relating to <i>reconciliation participants trading an installation</i>; rather this is an issue of availability and transparency of information in general.</p>
<p>5</p>	<p>There are already a large number of meter equipment owners that may not realise that they have obligations under the Rules, e.g. customers who own their own CTs etc. Do you see split (multiple parties) meter equipment ownership at a metering installation as an issue? The Commission seeks comments on the structure of meter equipment ownership, please give reasons for your views.</p>	<p>We consider that there is a need to review the current rules in relation to the responsibilities of owners of subparts of a metering installation such as CTs and VTs in relation to compliance.</p> <p>The multiple ownership of metering installation components such as CTs and VTs at HV metering installations, and the associated requirements of the rules, are problematic.</p> <p>Currently where Orion is supplying metering CTs and VTs as part of the HV equipment supplying a consumer, we supply CTs and VTs that are certified by an approved test house – we are prepared to continue with this approach if required. Other components of the metering installation are supplied by a third party. Ultimately, the entire metering installation will require certification. We consider that it is this overall functioning and certification of the entire metering installation that is most important. This overall certification will also require appropriate consideration of the burden to be applied to the CTs and VTs and any possible error compensation that needs to be incorporated.</p> <p>We consider that in view of the potentially complex issues around certification that it may be more cost-effective to have one party responsible for carrying out the certification of the entire metering installation rather than have multiple equipment owners responsible for certification of their components.</p>

		<p>In this case we would expect that the requirement on the owner of components of a metering installation (such as CTs and VTs), would be that the equipment needs to be fit for purpose (i.e metering quality as attested by manufacturer’s test certificates) and that the overall certification, by an approved test house, of the entire metering installation would be contracted by the party responsible for ensuring that a metering installation is supplied (see our response to question 3 above).</p> <p>The responsibility for inspection by metering equipment owners, where there is multiple ownership of parts of a metering installation, is also an issue that the review needs to consider. At present the rules appear to require each metering equipment owner to carry out an inspection. This requirement has the potential to result in inefficient use of resources and involve multiple inspections. We suggest that it would be more cost-effective if a single inspection of the entire metering installation was carried out, particularly as this is an annual inspection for metering categories 4, 5 and 6. The party responsible for ensuring that a metering installation is provided would be responsible for ensuring the inspection occurred.</p> <p>A further issue that the review should address relates to maintenance of HV equipment and the associated issues around sealing of CTs and VTs. Isolation of equipment may require fuses or links to be removed for safety issues or testing of equipment. This work inevitably raises issues about the integrity of seals which need to be addressed.</p> <p>One option to resolve these problems could be that where CTs and VTs are within a network substation which has restricted access to approved and authorised personnel, the requirement to seal VTs, CTs fuses and/or links is waived.</p>
6	<p>The Commission seeks comments on the demarcation between the metering installation and the reconciliation participant’s “back office”. Please give reasons for</p>	<p>No comment.</p>

	your views.	
7	Is there a need to develop a new code of practice to cover the security standards required for metering installations and for metering infrastructure? Please give reasons for your views.	<p>We consider that the review should address security standards in relation to both security of communications links and also security of data handling and storage of information relating to customers' usage in general to ensure appropriate privacy issues are addressed. We note the recent reported comments of the Commission's senior advisor (retail operations) that "<i>data security is a legitimate concern and a key driver behind the need for a review of Part D of the electricity rules</i>".<sup>6</sup></p> <p>We have no firm views over whether a code of practice is an appropriate way to deal with this issue, and consider that the review should provide pros and cons for this approach, as well as information on how this issue is being addressed in overseas jurisdictions.</p> <p>Besides security issues relating to access of data, customers' privacy issues will need to be addressed and it may be useful for the review to consider in relation to customers' privacy rights:</p> <ul style="list-style-type: none"> <li>• what data may be collected</li> <li>• permissible use of the data</li> <li>• what is a reasonable period for retention of data</li> <li>• rights of customers to access that data</li> <li>• audit requirements.</li> </ul>
8	The Commission seeks comments on access to metering systems.	No comment.

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<sup>6</sup> Electrolink Issue 69 August, September 2008.

	Please give reasons for your views.	
9	<p>The Commission seeks comments on the certification of load control devices. Please give reasons for your views.</p>	<p>The Commission's comments in relation to load control devices appear to be based on the concept of ripple relays that are permanently wired to a device such as a hot water cylinder. However, load control devices that respond to ripple signals can now be plugged into a standard three pin socket and control any suitable appliance. We believe that certification of such devices would be impracticable and unwarranted.</p> <p>Load control of appliances such as domestic hot water cylinders is currently essential to the security of New Zealand's electricity system. The greatest value from existing load control is security of supply.<sup>7</sup> As such, it is essential that ELBs maintain an ability to control such loads and ensure that load control devices function when required.</p> <p>We acknowledge that information on the channel programming of load control devices has not historically been kept or maintained, and we agree that improved records would be useful. We are also concerned that the current operational status of load control devices may be in doubt and that the actual response of load control devices may no longer be monitored. We consider that the review should look at ensuring the ongoing maintenance and monitoring of ripple receives or their substitute, this could be in the form of requirements under an asset management plan.</p> <p>We consider that the review could usefully look at ways to improve the current situation, especially as it appears that the majority of the metering stock will be replaced over the next few years, and information on load control devices may be obtainable. As indicated above, load control devices are developing and will come in a variety of new forms. Therefore, we consider that only those load devices that are permanently wired and have load connected to them via permanent wiring could be monitored.</p>

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<sup>7</sup> VPWG report.

		<p>While we recognise that there may be concerns in relation to the operation of the existing ripple systems, we have not noted any significant fall off in response to our load management operations. However, reliability of alternatives to ripple signalling (GPRS) is typically inferior and unsuitable for load management.</p> <p>Load management is a substitute for increased network capacity and must have a significant level of reliability and resilience to common failure mode. Orion ensures that there is a level of redundancy in respect of its ripple injection plants to ensure that a single plant failure can be covered.</p>
10	<p>The Commission seeks comments on ownership of data from metering installations. Please give reasons for your views.</p>	<p>We consider that there are two issues that the Commission needs to consider in respect of data from metering installations, firstly access to data and secondly ownership of the data.</p> <p><b>Access to data</b></p> <p>We agree with the Commission that the evolution of metering systems will provide far more information than just the basic aggregated energy volume information available from the bulk of the existing metering stock. We consider that it would be useful for the rules to set out who has access to metering data. We also consider that the actual definition of metering data should form part of the review, and we suggest that the definition should include the active and reactive volume (half hourly where available).</p> <p>We recommend that the Commission provides for access to metering data to:</p> <ul style="list-style-type: none"><li>• the customer at the ICP</li><li>• the retailer or their authorised agent</li><li>• the network owner associated with the ICP or their authorised agent</li><li>• the Commission or its authorised agent.</li></ul>

		<p>In addition, as a customer of Transpower, we consider that access to half hourly GXP data for all GXPs that form part of a regional control demand area for which a network's charges are levied, should be made available to networks.</p> <p>As mentioned in the paper, metering devices are capable of providing additional information such as power quality information. We suggest that a distinction could be made between aggregated volume and half hourly energy information, and "additional" information that meters are able to provide.</p> <p>Aggregated volume and half hourly energy information should be freely available to the parties suggested above. The additional information from the meters should be available at a reasonable price, as this is a discretionary addition to the provided metering data, which should attract a commercial return. Parties that could make use of the information would assess the cost of obtaining the additional information from the meter against the cost of installing their own equipment on either a temporary or permanent basis.</p> <p><b>Ownership of data</b></p> <p>Ownership of the data is a complex issue that the review needs to consider. Of paramount concern in this respect must be the interests of the consumer. As indicated above, there may well be consumer privacy issues in relation to the data (aggregated volume and half hourly energy information, and additional information). We consider that the review needs to consider what measures are needed to protect consumers' interests.</p>
11	<p>The Commission seeks comments on updating the Codes of Practice. Please give reasons for your views.</p>	<p>We consider that the review should include the establishment of an industry working group to consider all aspects of the current codes of practice. We recommend that the working group should be wider than that suggested in the paper, and must include all relevant parties that may be affected by the outcomes of the group's work.</p> <p>As indicated above, we consider that the role and responsibilities of test houses need reviewing.</p>

		<p>We consider that the rules need to ensure that the information test houses obtain as part of the certification process can be readily accessed.</p>
12	<p>The Commission seeks comments on audit of meter equipment owners to ensure that rule obligations are being met.</p>	<p>All the obligations on meter equipment owners need to be reviewed. The Commission has already noted the issues that can arise from multiple ownership of components of a metering installation. We have noted the possible inefficiencies of inspections where the meter equipment owner is responsible. We consider that issues of ownership of the metering equipment are secondary to ensuring that appropriate testing and certification of metering installations occurs.</p>
13	<p>The Commission seeks comments on the outstanding rule change amendments from the AMI policy. Please give reasons for your views.</p>	<p>As suggested in our response to question 11, we consider that the review should include the establishment of an industry working group to consider all aspects of the current codes of practice. However we are concerned that the industry should not become bogged down in endless re-litigation of issues that have recently been consulted without a consensus being reached.</p>
14	<p>Are there any other issues related to metering that you would like to raise? If yes, please provide examples and possible solutions.</p>	<p>We would like to re-emphasise that we consider the review does not in our opinion include sufficient focus on consumer issues.</p> <p>We note the Parliamentary Commission for the Environment has recently released a number of reports relating to metering. We consider the Commission should consider these reports as part of the review process.</p> <p>We consider that the review should consider that where a smart meter with half hour metering capabilities is fitted in metering installation categories 1 and 2 whether there should be a requirement to use this half hourly data in the reconciliation process. At a minimum the review should consider the use of half hour data where it is available from a meter in metering installation categories 1 or 2 (event though the meter may not be specifically certified as a half hour meter) as a method of improving profiling.</p> <p>We raised a number of issues in relation to the Commissions proposed minor rule changes July</p>

		<p>2008 in relation to Part D, if these issues have not been resolved then they should be considered as part of the review.</p> <p>In relation to the load control issues raised in the paper we consider that any review should consider co-ordination and priority of load management</p> <p>Orion believes that distributors should co-ordinate and prioritise load management. We consider that there are real risks from fragmenting the control of load management to numerous other parties. These risks include:</p> <ul style="list-style-type: none"><li>• reduced security of supply;</li><li>• increased infrastructure investment required;</li><li>• more frequent interruptions to supply; and</li><li>• increased costs to consumers and the New Zealand economy as a whole.</li></ul> <p>It should not be forgotten that the existing ripple control systems are already providing alternatives to network investment. Networks are designed and planned with an underlying assumption of an ability to control load. Without control, the ongoing benefits to consumers of significant network investment deferral will be lost.</p> <p>We consider the review should assess any implications that may arise from patent applications such as Southern California Edison's application in relation to AMI.</p> <p><a href="http://www.sce.com/PowerandEnvironment/smartconnect/open-innovation/patentfaq.htm">http://www.sce.com/PowerandEnvironment/smartconnect/open-innovation/patentfaq.htm</a></p>
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