

15 February 2013

Submissions
c/- Electricity Authority
PO Box 10041
Wellington 6143

by email: submissions@ea.govt.nz

**SUBMISSION ON PROPOSED CODE AMENDMENTS TO THE NEW METERING RULES
AND PART 11**

- 1 Orion New Zealand Limited (Orion) welcomes the opportunity to comment on the "proposed code amendments to the new metering rules and part 11" consultation paper (the paper) released by the Authority in December 2012.
- 2 This submission is in two parts:
 - comments on relevant parts of the paper; and
 - responses to the Authority's questions.

General comments

- 3 We are concerned that the Authority has not resolved the issue relating to the definitions of 'Livening' and 'Energisation' (raised both in submissions and at the Authority's workshops). Despite numerous submissions in past consultations opposing the proposed definitions of 'Livening' and 'Energisation', the Authority continues to persist with its proposed approach which we believe is inappropriate.
- 4 We believe the Authority should consider the Electricity (Safety) regulations 20101 definition of 'Live':

live means charged with electricity so that a difference in voltage exists to earth or between conductors



and also the definition of live conductor:

live conductor means a conductor that is-

- (a) charged with electricity so that a difference in voltage exists to earth or between conductors; or
- (b) a neutral conductor).

- 5 We consider that the Authority's use of the terms 'Livening' and 'Energisation' is inconsistent with the electricity (Safety) Regulations 2010 definition of "liven" and therefore could lead to serious confusion and potential safety risks.
- 6 We also consider that the Authority's use of the terms 'Livening' and 'Energisation' is inconsistent with other parts of the Code for example clause 7 of schedule 8.3 Technical code A which states

*The commissioning plan prepared by an **asset owner** and agreed by the **system operator** must—*

- (a) include a timetable containing the sequence of events necessary to connect the **assets** to the **grid** and conduct any proposed **system test**; and
 - (b) contain the protection and control settings to be applied before livening of the **assets**;
- 7 This is clearly using the term 'livening' in its normally understood context within the industry (and as per the Electricity (Safety) regulations 2010 definition of 'Live'). Further it uses the term 'connect' in relation to the connection of assets again using the normal plain English meaning.
 - 8 A further example can be found in the definition of black start:

black start means an **ancillary service** required to enable a **generating unit** isolated from the **grid** to be livened and connected to the **grid**

- 9 Again this is clearly using the term 'livened' in its normally understood meaning within the industry.
- 10 We recommend that the Authority identify more appropriate descriptors for the establishment of a point of connection and subsequent first time energisation in the context of Part 10.
- 11 While we understand the Metering Equipment Providers' (MEP) desire to temporarily energise a point of connection to facilitate meter commissioning, we

do not consider this activity should ignore or take precedence over the Distributor's requirements and regulatory obligations with respect to first time livening (energisation) of a point of connection.

- 12 We expect MEPs to comply with our requirements with respect to first time livening (energisation) of a point of connection. It should not be assumed that the Distributor (or its agent) will install metering as part of the livening (energisation) activities in every case.

- 13 We are concerned that the Livening and energisation guidelines, clause 6(i), suggest that:

"Also, the MEP should be able to be authorised to request temporary energisation by the reconciliation participant and there should be a provision to prevent re-energisation if the metering installation is unsafe or non-compliant with the Code of Electrical (safety) Regulations 2010, or there is no MEP for the POC." (emphasis added)

- 14 We do not consider that the POC should be 'energised' (to use the Authority's terminology) in the first place if it is unsafe or non-compliant with the Code of Electrical (safety) Regulations 2010
- 15 We expect MEPs to comply with our requirements with respect to first time livening (energisation) of a point of connection. It should not be assumed that the Distributor (or its agent) will install metering as part of the livening (energisation) activities in every case.
- 16 Orion already communicates network pricing information via the registry, for example we use the installation details field to convey additional capacities (for rebates) that apply to our irrigation connection category. However we do not think it is appropriate to use this approach for all categories, and in particular our major customer connection category and our large capacity connection category.
- 17 For the major customer connections there are a number of different "capacities" for different components of the charging, and there are, in most cases equipment charges as well with associated quantities. We believe it is better for retailers to contact us to get this information. Note that we update the various capacities and quantities once each year for all connections, with a small number of additional case by case changes throughout the year. All of these changes are conveyed to the relevant retailer. We also provide the ICP level capacities in the supporting information we include with our monthly invoices to retailers.
- 18 Large capacity connections are always billed directly by Orion so there is no benefit to retailers in having this info on the Registry. In any case they may or may not have capacity as a component of the pricing.

- 19 More generally, we also consider it important for retailers to understand the details of our pricing. We produce a substantial document on this, and also discuss it with retailers. We do not believe that this information can be conveyed via the Registry.

Concluding remarks

- 20 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 Allan Borcoski (Contract Works Manager), DDI 03 363 9672, email allan.borcoski@oriongroup.co.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Allan Borcoski".

Allan Borcoski
Contract Works Manager (Network Connections)

Responses to specific questions

	Question	Response
1	Do you agree with the Authority's analysis of the new metering rules issues outlined in sections 3.1 to 3.6? If not, please give reasons.	With the exception of temporary energisation of a point of connection, we expect that MEP's will comply with Distributor requirements and regulatory obligations with respect to first time livening (energisation) of a point of connection.
2	Do you agree with the proposed Code amendments to the new metering rules as detailed? If not, please give reasons.	No. We consider the Authority's use of the terms "Livening" and "Energisation" is inconsistent with the electricity (Safety) Regulations 2010 definition of "liven".
5	Do you agree with the proposal to amend clause 7 of Schedule 11.1? Please give reasons. If you consider that there is an alternative, please give details of the alternative.	<p>Orion already uses the installation details field to convey additional capacities (for rebates) that apply to our irrigation connection category. However we do not think it is appropriate to use this approach for all categories, and in particular our major customer connection category and our large capacity connection category.</p> <p>For the major customer connections there are a number of different "capacities" for different components of the charging, and there are, in most cases equipment charges as well with associated quantities. We believe it is better for retailers to contact us to get this information. Note that we update the various capacities and quantities once each year for all connections, with a small number of additional case by case changes throughout the year. All of these changes are conveyed to the relevant retailer. We also provide the ICP level capacities in the supporting information we include with our monthly invoices to retailers.</p> <p>Large capacity connections are always billed directly by Orion so there is no benefit to retailers in having this info on the Registry. In any case they may or may not have capacity as a component of the pricing.</p> <p>More generally, we also consider it important for retailers to understand the details of our pricing. We produce a substantial document on this, and also discuss it with retailers. We do not believe that this information can be conveyed via the Registry.</p>
6	Do you agree with the proposal to amend clause 11.10? Please give reasons. If you consider that there is an alternative, please give details of the alternative.	In principle.
8	Do you agree with the Authority's evaluation of alternative means of achieving the objectives of the proposed amendments? Please give reasons.	With the exception of the issues raised previously in this response.