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Submissions  
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## **SUBMISSION ON CREATING ADDITIONAL FIELDS IN THE REGISTRY**

- 1 Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the “Creating additional fields in the registry” consultation paper (the **paper**) released by the Authority in December 2011.
- 2 This submission is in two parts:
  - comments on relevant parts of the paper; and
  - responses to the Authority’s questions.

### **General comments**

- 3 The Authority has asked:

***“Do you consider the proposals are consistent with the objectives listed in section 3.2.1?”***

- 4 Overall, we are sceptical that the proposals will deliver the objectives listed in section 3.2.1 of the paper for the reasons outlined below.
- 5 **Proposal R1: ANZSIC codes.** The paper identifies the key benefits of this proposal are to improve the quality of data for retail market monitoring. We consider that the proposed benefits are hard to quantify, particularly as the Authority has not provided any cost data on the benefits from detailed monitoring by market segment. Given that the majority of ICP’s are known to be residential (the MED website notes that statistics indicate that 86% of ICP’s are residential), at best the ANZSIC codes may provide some detailed information about only 14% of the market.



- 6 One of the key benefits seems to be that of identifying ICP's as residential customers, by using the absence of an ANZSIC code as a proxy. It is not clear that creating a field on the registry that for the majority of the ICP's will not be populated can be seen as an efficient approach. In addition, from our experience the accurate allocation of ANZSIC codes is not a simple issue. While we expect that retailers during the initial engagement with their customers will attempt to choose the appropriate ANZSIC code we expect that considerable inaccuracies may occur.
- 7 More generally the Registry is fundamentally a database of connection information, whereas ANZSIC code is fundamentally a customer / end use attribute. There are real dangers in comingling the two sets of attributes.
- 8 **Proposal R2: Unmetered load details** We assume that in this case the Authority is referring to small unmetered loads which by definition are limited to 3000kWh per annum and we expect in the majority of cases the annual consumption would be far less. It is unclear why the Authority considers that providing the suggested data will promote efficient operation of the electricity industry as the daily kWh of unmetered load is already recorded on the registry. If on the other hand the Authority is considering large unmetered loads such as streetlights or traffic lights where volumes can be significant then we would expect the gaining retailer would be holding a conversation with the owner of the load as to the wattage of the installed equipment and the operating times of the load particularly as the retailer is responsible for maintaining an unmetered load database. Having daily data available on the registry is unlikely to provide any competition benefits.
- 9 Orion is also concerned about the proposed decision making process outlined in the paper in relation to proposal R2: Unmetered load details. The paper proposes that:
- “As the key benefits (and cost) of the proposal R2 are limited to retailers, the proposal should proceed only if retailers indicate that the benefits outweigh the costs.”*
- 10 Ultimately any costs that exceed the benefits will be met by customers, we would expect that the Authority would not proceed if any party were to indicate that the costs exceed the benefits. On the other hand if the consumer benefits exceed the retailer costs then prima facie the change would appear to have merit?
- 11 In addition this proposal to effectively limit consultation to retailers could be seen as the Authority failing to meet its obligations under s 39(1)c of the Act<sup>1</sup>.
- 12 **Proposal D1: Generation nameplate capacity and generation fuel systems.** The Authority has recently issued a pre consultation document on distributed generation outlining a number of issues it will likely consult on in relation to its review of part 6 of the Code. This issue is specifically outlined in the paper as an issue to be consulted on. We consider that this issue is best deal with in the proposed overall review of part

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<sup>1</sup> Electricity Industry Act 2010

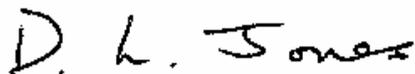
6 where it can be considered in light of the other associated issues such as the removal of the obligation to report under clause 26. We consider that, when looked at as a whole as suggested in the pre-consultation paper, this proposal may lead to improved efficiency in the electricity market. However this current proposal is pre-empting the full consideration of the related issues.

- 13 **Proposal D2: Livening date.** We believe it should be relatively simple to update the livening date to the registry. However, the benefits are we believe very marginal, distributors have already invested in systems to provide the notification under clause 18 of schedule 11.1 and the proposal just allows the registry to replicate this existing process.
- 14 **Proposal D3:GPS coordinates.** We agree with the Authority that the benefits of this proposal are hard to quantify, particularly as the Authority is proposing that this will be optional as to whether these fields are populated. We also consider that the costs are also hard to quantify and will vary depending on the level of accuracy in specifying the co-ordinates that the Authority may require. There are also issues that the GPS co-ordinates for many ICP's will be duplicated for example on networks extensions - where the distributor is creating ICP's but is not the owner of the secondary network - that GPS co-ordinates will not be recorded except for the point of connection between the local network and the secondary network (which itself is not an ICP).

#### **Concluding remarks**

- 15 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, DDI 03 363 9526, email [dennis.jones@oriongroup.co.nz](mailto:dennis.jones@oriongroup.co.nz).

Yours sincerely



Dennis Jones  
**Industry Developments Manager**

## Appendix: Responses to the Authority's questions

Question No.	Question	Response
3.8.1	Do you consider the proposals are consistent with the objectives listed in section 3.2.1?	See our response at paragraphs 3 to 14 above
	In relation to proposal <b>R1:ANZSIC codes</b> , please state:	
3.8.2(a)	whether you support or oppose the proposal	While this proposal does not directly impact on Orion, we do not consider it is likely to produce the benefits suggested and we therefore oppose the proposal.
3.8.2(b)	the one-off and ongoing costs, if any, to your organisation	None
3.8.2(c)	the one-off and ongoing benefits, if any, to your organisation	None
3.8.2(d)	whether you propose any other amendments, and whether those amendments would change your position in (a)	<p>We note that the ANZSIC codes are available from retailers to distributors on EIEP 4. Thus we would expect that the Authorities alternative proposal of periodically requesting ANZSIC code information from retailers would not be difficult.</p> <p>If the Authority does consider that ANZSIC codes should be included as a registry requirement (which we oppose) then the Authority should consider the consequential amendment to EIEP 4 to avoid duplication.</p>
3.8.2(e)	whether you would like the switch TN (RS-010) file amended to include ANZSIC code	No Comment
3.8.2(f)	whether you agree or disagree with the field being visible to other registry users	No Comment

3.8.2(g)	any other comments relevant to this proposal	<p>From our experience the accurate allocation of ANZSIC codes is not a simple issue. While we expect that retailers during the initial engagement with their customers will attempt to choose the appropriate ANZSIC code we expect that considerable inaccuracies may occur.</p> <p>We note that one of the benefits claimed in the paper is that, as the gaining retailer would be able to see the ANZSIC code, this may reduce the effort of the gaining trader to engage with the consumer to establish the appropriate code. While on the other hand the paper suggests that the gaining retailer would revalidate the ANZSIC code which will of course require effort to engage with the consumer and arguably negate the suggested benefit. As the registry is the database of record the gaining retailer should be able to rely on the information contained there, this means that the current retailer will need to invest in processes to maintain the information. If a gaining retailer finds the code is no longer valid this may involve greater effort on the part of the gaining retailer to establish the cause of the error, and possibly result in breach notification.</p> <p>The proposal also raises the question of additional compliance and audit requirements, on the assignment of a code which is a subjective process.</p>
	In relation to proposal R2: <b>Unmetered load details</b> , please state:	
3.8.3(a)	whether you support or oppose the proposal	Oppose
3.8.3(b)	the one-off and ongoing costs, if any, to your organisation	None
3.8.3(c)	the one-off and ongoing benefits, if any, to your organisation	None
3.8.3(d)	whether you propose any other amendments, and whether those amendments would change your position in (a)	We do not propose any other amendments.

3.8.3.(e)	whether you would like the switch TN (RS-010) file amended to include the new unmetered load fields	No comment
3.8.3(f)	any other comments relevant to this proposal	<p>The time that unmetered loads may be 'switched on' will in most cases be estimated. The point of unmetered loads in general is that they are small - less than 3000kWh per annum.</p> <p>The distributor is currently required to provide to the registry for unmetered load (other than distributed unmetered load) the type and capacity of the unmetered load (where known). We consider that requiring the retailer to duplicate this information is inefficient, however we would support the retailer supplying the capacity (kW) of the unmetered load as we consider the retailer is better placed to source this information and keep it updated.</p> <p>The retailer is currently required to provide to the registry the average daily unmetered load in kWh, from this and the capacity in kW (two pieces of information already on the registry) the duration of consumption in minutes per day can be calculated.</p> <p>Orion is also concerned about the proposed decision making process outlined in the paper in relation to proposal R2: Unmetered load details. The paper proposes that:</p> <p><i>"As the key benefits (and costs) of proposal R2 are limited to retailers, the proposal should proceed only if retailers indicate that the benefits outweigh the cost."</i></p> <p>Ultimately any costs that exceed the benefits will be met by customers, we would expect that the Authority would not proceed if any party were to indicate that the costs exceed the benefits.</p> <p>In addition this proposal to effectively limit consultation to retailers could be seen as the Authority failing to meet its obligations under s 39(1)c of the Act.</p>
	In relation to proposal D1: <b>Distributed generation capacity and fuel type</b> , please state:	

3.8.4(a)	whether you support or oppose the proposal	We consider that this proposal has some merits and may produce efficiencies. However the Authority has signaled that it will be consulting in February 2012 on wider distributed generation issues and this particular issue has already been identified by the Authority in its pre consultation work on distributed generation. We believe that this wider distributed generation consultation is the correct place to consider this issue together with other associated consequential amendments to other reporting issues. Therefore we oppose the inclusion of the issue in this current consultation.
3.8.4(b)	the one-off and ongoing costs, if any, to your organisation	Small
3.8.4(c)	the one-off and ongoing benefits, if any, to your organisation	None
3.8.4(d)	whether you propose any other amendments, and whether those amendments would change your position in (a)	We do not propose any other amendments
3.8.4(e)	any other comments relevant to this proposal	We believe that this issue should be consider in the wider distributed generation consultation and take into account other consequential amendments to existing reporting requirements.
	In relation to proposal D2: <b>Point of connection livening date</b> , please state:	
3.8.5(a)	whether you support or oppose the proposal	Oppose

3.8.5(b)	the one-off and ongoing costs, if any, to your organisation	We believe it should be relatively simple to update the liveness date to the registry. However, the benefits are we believe very marginal, distributors have already invested in systems to provide the notification under clause 18 of schedule 11.1 and the proposal just allows the registry to replicate this existing process. There will be a cost in both changing systems to upload the liveness date to the registry and also in removing the existing reporting requirements of clause 18.
3.8.5(c)	the one-off and ongoing benefits, if any, to your organisation	None
3.8.5(d)	whether you propose any other amendments, and whether those amendments would change your position in (a)	We do not propose any other amendments.
3.8.5(e)	any other comments relevant to this proposal	The Authority needs to ensure that this proposal only applies to future liveness dates and doesn't attempt to populate the field for existing ICP's. It is not clear that holding this piece of information that will only be used once over the lifecycle of an ICP is warranted.
	In relation to proposal D3: <b>GPS coordinates</b> , please state:	
3.8.6(a)	whether you support or oppose the proposal	Oppose

3.8.6(b)	the one-off and ongoing costs, if any, to your organisation	<p>The requirement to supply GPS information in the proposal is optional and as such we believe that it cannot possibly provide the benefits suggested by the paper (for example in the extreme case if nobody populated the fields there would only be the cost of setting up the fields and no benefits at all).</p> <p>We therefore anticipate that there will be significant scope creep with this proposal which could result in a mandatory requirement.</p> <p>The cost will be heavily dependent on the degree of accuracy required, i.e. if we are allowed to use data from existing records which may not be very accurate then the cost will be relatively low otherwise it could be extremely expensive. We would have to translate the data to the required format.</p> <p>While the paper suggests that for distributors that collect GPS co-ordinates of individual ICPs the costs should be small, the paper does not consider the costs for distributors who do not collect this information or whose information is only approximate and may not reach any required accuracy standards the Authority may set.</p> <p>As this data will be stored on the registry we also expect that compliance issues over the accuracy of data in the registry would become a significant issue.</p>
3.8.6(c)	the one-off and ongoing benefits, if any, to your organisation	None
3.8.6(d)	whether you propose any other amendments, and whether those amendments would change your position in (a)	We propose that the metering equipment provider provide GPS co-ordinates for metering installations. This is likely to produce useful information and in most cases will be a reasonable proxy for an ICP location.

3.8.6(e)	any other comments relevant to this proposal	<p>Orion produces its GPS co-ordinates for network purposes and the level of accuracy that we produce these at is acceptable for this purpose. The GPS co-ordinates that we use are derived from schematic drawings not from actual on site monitoring</p> <p>They are based on the network connection point (NCP - often the boundary box), and in rural areas, many will be based on the transformer location.</p> <p>We believe that in urban locations the co-ordinates that Orion has for its network purposes may be only be within +- 20m, and in rural areas probably +- 100m of the ICP.</p> <p>Additionally because in many cases they are based on the transformer location, the GPS location is duplicated for many ICPs. This would also occur for ICP's on Network extensions where all ICP's would have the same co-ordinates regardless of where the ICP is actually located on the secondary network.</p> <p>This level of accuracy is fine for our purposes, but probably defeats the primary purpose of loading it to the registry. However it highlights the potential for compliance issues depending on the degree of precision the Authority considers it needs for its purposes.</p> <p>Due to the number of important priorities we have at this point in time, should the Authority choose to implement this proposal we would not expect to populate the registry with GPS data. The proposal would require us to implement a mechanism to translate our NZGM coordinates to NZTM2000.</p>
3.8.7	Do you consider the assessment framework in Appendix 4 will enable an appropriate decision about which, if any, proposals are warranted?	No