



29 September 2017

Submissions  
Electricity Authority  
By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

### **Operational review of register content codes**

Meridian welcomes this opportunity to comment on the Authority's operational review of register content codes.

The Authority has rightly identified that the framework for register content codes was developed under different market conditions. Meridian agrees that register content codes need to be reviewed, particularly with the likelihood of more cost reflective network pricing in future. We consider this an opportunity to consider the fundamental purpose of register content codes and to move towards a future proofed system.

#### **Objectives of the operational review**

The Authority has identified the following objectives for the proposed amendments to register content codes and related business requirements:

- (a) Address issues identified by participants and the Authority
- (b) Move to generic register content codes and reduce the need for new codes
- (c) Provide guidance for the correct application of period of availability values for multi-channel TOU prices
- (d) Provide a default for the period of availability values where a distributor does not specify
- (e) Support the correct application of register content codes and period of availability values
- (f) Provide operational efficiencies and reduce costs as participants may innovate without the restriction of waiting for the Authority to consult on, and approve, new register content codes
- (g) Support increased competition by enabling the more timely introduction of complex and differentiated TOU prices without requiring additional register content codes.

Meridian broadly agrees with the objectives of the review but does not think that the Authority has considered the full range of options to meet the defined objectives. Rather than trying to amend the existing structure of the registry to reflect changes in technology and industry practices, Meridian recommends that the Authority take a fresh look at how the registry is designed and for what purpose.

### **An alternative option**

In addition to the options A to G considered by the Authority, Meridian encourages the Authority to consider looking more broadly at the purpose of the registry and in particular the possibility to require that register content codes reflect the physical or programmed set-up of metering. A rule (whether in the Code or in the business requirements for the register) could specify that register content codes will only be added where necessary to describe the physical or programmed set-up of the meter. This option would prevent new register content codes being developed purely to create distinctions that drive pricing outcomes. We agree with the Authority that pricing information can sit outside of the register in distributors' pricing information. This option has not been considered by the Authority but Meridian considers that it would equally address the problems identified by the Authority and would result in the more principled, clear, and consistent use of register content codes.

Under Meridian's suggested option the current customised TOU register content codes would still be deleted. However, instead of applying new generic register content codes, other existing codes could be applied according to the physical or programmed capability of the meters on site at each ICP.

The future will almost certainly see more direct use of HHR data from advanced meters and Meridian supports moves by the Authority towards that future state. As the Authority notes, "configuring network specific delivery price time blocks in advanced meters is not necessary where a MEP or trader derives the data required for network reporting, customer billing, and/or reconciliation submission information, from HHR absolute channel reads."

The Authority's proposal (Option D) is a step in the right direction in terms of minimising the needless proliferation of increasingly specific register content codes that do not reflect metering. However, even the generic register content codes suggested by the Authority would not reflect the set-up of meters on site. Half hourly data enables time of use (TOU)

rates to be charged without changing register content codes or the set-up of meters. Where meters provide half hourly data to participants, that data can be matched to time blocks as required for pricing on any given network.

The consultation paper states:

“As it currently stands, if a distributor introduced a new delivery price option where one or more of the time blocks do not match the time blocks of an existing customised register content code, the distributor (or the trader or MEP) must apply to the Authority for a new code.”

Meridian disagrees with this statement. In moving to more dynamic and cost reflective pricing structures, it is not necessary for distributors to introduce customised register content codes. For example WEL Networks’ pricing schedule effective from 1 April 2017 includes TOU pricing for uncontrolled supply where the pricing can be based on half hourly data and customised register content codes are not required. This approach should be encouraged in future rather than allowing register content codes that do not reflect the set-up of meters.

The Authority sees the proliferation of register content codes as an issue because the process to approve new register content codes is slow and may delay the introduction of TOU prices for end consumers. Under the option proposed by Meridian, new register content codes would only be necessary to support new meter configurations (not new pricing). It is highly unlikely that meters will change with mass market TOU pricing so new register content codes would also not be added. Pricing could be resolved based on half hourly metering data and the focus going forward should be on the most efficient way for participants to manage half hourly data and time slice it as required.

The small number of meters that are unable to provide half hourly data would not be able to move to TOU pricing and, as in the WEL example, an average rate will likely need to apply. Allowing customised register content codes or using a generic code would not change this fact or alter in any way the underlying physical capabilities of an older meter.

Under Meridian’s proposed option, there would be far greater consistency and less confusion within the industry regarding the application of register content codes and period of availability values. The rule would be very clear – the register content code reflects the configuration of the meter, nothing else.

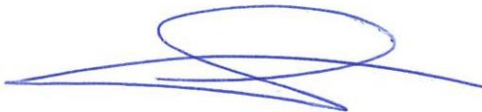
Each additional (or change to a) register content code imposes costs on the Authority of approximately \$5,000 and costs on traders and MEPs to make changes to their systems to ensure that both the price and functionality are mapped accurately. Option D will prevent these costs in future, as would the option suggested by Meridian.

Under both options MEPs and traders would interpret the time blocks from the distributor's pricing information. Therefore, regardless of the option that is progressed, Meridian fully supports Code changes to mandate that a distributor's pricing information must contain information to assist consistent and correct application of register content codes and periods of availability for ICP based volume prices.

Appendix A provides Meridian's comments on the specific consultation questions.

Please contact me if you have any questions regarding this submission.

Yours sincerely



Sam Fleming  
Regulatory Analyst

**DDI** 04 803 2581  
**Mobile** 021 732 398  
**Email** [sam.fleming@meridianenergy.co.nz](mailto:sam.fleming@meridianenergy.co.nz)

## A. Responses to consultation questions

	Question	Comment
1	Do you agree the issues identified by the Authority are worthy of attention? If not, please explain why.	Yes.
2.	Do you agree that the proposed business requirements around period of availability and distributor's pricing information will support accurate application of register content codes and periods of availability for ICP based volume prices? If not, please explain.	Yes.
3.	Do you agree with the Authority's preferred Option D which introduces generic register content codes for mass market TOU prices, and for consistency deletes existing customised codes that specify time blocks in the descriptions? If not, which option do you prefer and why?	Option D is a step in the right direction. However, Meridian considers that the Authority could go further to create a rule requiring that register content codes reflect the physical or programmed set-up of metering. This option would prevent new register content codes being developed purely to create distinctions that drive pricing outcomes. Time blocks can more easily be described outside the register in distributors' pricing information. Half hourly data could then be allocated to time blocks as required for each network (see the cover letter of this submission for further detail).
4.	If the Authority implements Option D, we propose to allow participants 6 months to convert from using the customised register content codes to the corresponding generic register content codes (mapping demonstrated in Appendix C).  Would this be sufficient time? If not, please advise how much time would be reasonable.	Yes, this would be sufficient time.
5.	Do you agree that the Authority should progress a Code change to mandate that a distributor's pricing information must contain certain information to assist consistent and correct application of register content codes and periods of availability for ICP based volume prices? If not, please explain why.	Yes. Meridian fully supports this Code change, which would be helpful regardless of which option is preferred by the Authority for register content codes.

6.	Do you agree with the objectives of the proposed amendments? If not, why not?	Yes.
7.	Do you agree the benefits of the proposed amendments outweigh the costs? If not, please explain your reasons.	Yes. However, this is likely the case for other options too.
8.	Do you agree the proposed amendments are preferable to other options? If you disagree, please give reasons.	The proposal is preferable to other options considered by the Authority. However, it is not preferable to the option recommended by Meridian (see the cover letter of this submission and the response to question 3 above).