



21 September 2017

Submissions
Electricity Authority
PO Box 10041
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by email: submissions@ea.govt.nz

SUBMISSION REGISTER CONTENT CODES 2017 OPERATIONAL REVIEW

Introduction

1. Orion New Zealand Limited (**Orion**) welcomes the opportunity to comment on the “Register content codes 2017 operational review” consultation paper (the **paper**) issued by the Electricity Authority (Authority) on 7 August 2017.
2. We operate a GXP based charging approach covering the vast majority of residential and small businesses connections within our network area, and the register content codes and period of availability are not used within our pricing or charging.
3. Our involvement with register content codes and period of availability comes about because we provide the coordinated load switching service upon which many of these arrangements are based. We often interact with customers over the price option choices they make, and how our coordinated switching options meet their needs.
4. With the current and ongoing market and metering changes we agree that a review is timely. In particular:
 - 4.1. We support moves to clarify and standardise the use of register content codes. Various parties are using different approaches, and we observe that this leads to errors and confusion which ultimately impacts on the customers’ experience.
 - 4.2. We question the ongoing relevance of the “period of availability”. We consider that a single value was never sufficient to describe the provision of service, especially when it is used for different purposes in different contexts:
 - For controlled supplies, a single number does not provide any indication as to whether the control is fixed time or dynamic and provides no indication of the timing or the period it might be continuously off for.

- For multi-rate supplies, a single number does not provide any indication of the timing (for example, when the night period begins and ends) and is not at all compatible with things like “weekender” pricing (where the low night rate is extended to apply all weekend) in a two register configuration.
 - Finally, several network areas operate a combination of the above, where a multi-rate supply also includes a controlled load. A single “period of availability” fails to describe this option or how it differs from other options.
- 4.3. As a related issue, the “period of availability” is used as an indication of service levels for controlled loads, typically water heating. But specifying that a water heater is on for a minimum of (say) 17 hours per day is a meaningless metric, because it doesn’t take 17 hours to heat any water cylinder – the very largest can fully heat in less than 6.5 hours. As we move to become more customer focused, we think that distributors will develop service level options that better describe the outcomes for customers, and are better focused on the needs of customers. Service level options are also likely to be developed for other appliances, such as home batteries, electric vehicle charging and possibly seasonal control arrangements.
- 4.4. With the drive for more cost reflective pricing options we are likely to see additional arrangements that push the boundaries of our legacy pricing options. To accommodate these, we consider that adjustments need to be made to improve the flexibility to support these new approaches.
- 4.5. In our view this can best be achieved within one of the options provided in the paper – Option G – to eliminate the period of availability, and utilise a simple “register content code” (RCC) that links to a scheduled description of the information represented. The minimum requirements for the information in the schedule should be specified to include area of availability, any special conditions, switching times and minimum service levels.
- 4.6. As metering equipment providers (MEPs) are the party that configures registers (or notional registers, if that is adopted), we consider that they are the party best placed to maintain schedules of the RCC descriptions – ideally making these available on the registry. This must include all the options supported by the distributor, but could also include alternative options where these are made available by another party (for example, a retail smart meter pricing plan).
5. The appendix to this submission sets out our responses to the specific queries raised in the paper.

Concluding remarks

6. 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 Bruce Rogers (Pricing Manager), DDI 03 363 9870, email bruce.rogers@oriongroup.co.nz.

Yours sincerely

A handwritten signature in black ink, appearing to be 'BR', written in a cursive style.

Bruce Rogers
Pricing Manager

Appendix: Prescribed format for submissions

Register content codes - 2017 operational review consultation paper
Submitter: Bruce Rogers, Pricing Manager, bruce.rogers@oriongroup.co.nz

Question	Comment
<p>Q1. Do you agree the issues identified by the Authority are worthy of attention?</p> <p>If not, please explain why.</p>	<p>Yes.</p> <p>We observe situations where customers are being given incorrect information in response to their queries as a result of either incorrect interpretation of existing codes or incorrect codes being used.</p>
<p>Q2. 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?</p> <p>If not, please explain.</p>	<p>No.</p> <p>While many of the proposed business requirements will improve accurate application, we consider that the period of availability (as a single number) remains inadequate to describe the basis of control, the period a register is active for, and in some cases the combination of the two.</p> <p>In particular, we consider that the proposed rules relating to combined multi-channel inclusive configurations are too complex to implement operationally, particularly in customer facing situations.</p>
<p>Q3. 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?</p> <p>If not, which option do you prefer and why?</p>	<p>No.</p> <p>We consider, on balance, that the period of availability is inadequate to describe the key attributes of the metering configuration and that it’s continued use will further stifle innovation.</p>

Question	Comment
	However, should the period of availability be retained, we support the removal of the customised codes that specify the time blocks.
<p>Q4. 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).</p> <p>Would this be sufficient time?</p> <p>If not, please advise how much time would be reasonable.</p>	Yes.
<p>Q5. 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?</p> <p>If not, please explain why.</p>	<p>Yes.</p> <p>Where there is a link between the two, it makes sense to explicitly record that link in the distributor’s pricing information. However, provision must also be made for GXP priced networks, and for situations where traders adopt alternative configurations if they elect to do so.</p>
<p>Q6. Do you agree with the objectives of the proposed amendments?</p> <p>If not, why not?</p>	<p>Yes.</p> <p>However, we consider that the clarity that is sought regarding the period of availability would be better achieved by moving this information to a separate schedule (maintained by the MEP) where appropriate detail is maintained for each RCC by network area (or group of <i>like</i> network areas).</p>
<p>Q7. Do you agree the benefits of the proposed amendments outweigh the costs?</p> <p>If not, please explain your reasons.</p>	No comment (for us, the costs are small).

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Question	Comment
Q8. Do you agree the proposed amendments are preferable to other options? If you disagree, please give reasons.	Our preferred solution is option G (except that MEPs maintain the schedule of descriptions for the RCCs they set up). However, we consider that option D is the next best (and lower cost to implement) solution.