

### **Addendum to dynamic load control service memo**

The Compliance Memo published on 15 August 2023 (reproduced below) intended to clarify metering equipment providers' (MEPs) obligations under Part 11 of the Code to maintain fields in the registry about metering installations. The specific fields (outlined in the second paragraph of the memo) are the *register content code* and the *period of availability* where the load through the meter is fully or partially controlled. These fields describe the controllability of consumer load.

Clause 5.3 of the Distributor Agreement template (Schedule 12A.4 Appendix A) provides that only one of the parties to the Distributor Agreement, either the distributor or the trader, may control all or part of a consumer's load if the consumer has elected to take up a controllable load price category or price option, under clause 5.1 or 5.2. The other party can only control part of that consumer's load if it is separable from, and not already subject to the first party's right to control.

The Compliance Memo sought to clarify that the register content code and period of availability must reflect the distributor's current arrangements. However, it unintentionally implied that trader arrangements for control of the same load managed by the distributor (usually control of the consumer's hot water cylinder) are permissible.

The vast majority of controlled load is currently contracted via a controlled price option with the distributor under clause 5.1 and is therefore subject to the obligation in clause 5.3.

This clarification is not intended to curb innovation in the provision of load aggregation, or consumer choice, but is intended to clarify existing rights to control consumer load. This is in accordance with the core terms in the Distributor Agreement template.

21 September 2023

# COMPLIANCE MEMO

**To:** Metering equipment providers  
Approved auditors  
**From:** Peter Kerr  
**Date:** 15/08/2023  
**Subject:** Dynamic load control service – registry obligations

---

## Summary

Innovation and technology is enabling metering equipment providers (MEPs) to implement dynamic load control services to allow retailers to control consumer load. Dynamic load control is a contracted service between the MEP and a third party (such as the retailer, flexibility services aggregator, etc). Dynamic load control services can result in overlapping control of the same load at the same ICP; by the dynamic control service (which may be at variable times and periods) and by the distributor who has static load control times as part of the distribution agreement and the distribution pricing with the retailer.

The MEP must ensure that the registry reflects the register content code and period of availability that the distributor has control over, and is reflected in the distributor agreement and pricing with the retailer.

Prospective gaining retailers will need to be made aware of the additional service available at the ICP but this needs to take place outside of the registry. The prospective gaining retailer must be able to rely on the registry's register content code and period of availability to reflect the distributor's service and pricing to enable the retailer to offer the appropriate products to its prospective customer.

## Background

The Authority is aware of significant innovation occurring with controlling load at individual ICPs on request, outside of the 'standard' load control used by distributors. MEPs are now operationalising a dynamic load control service that would allow retailers or other third parties (such as flexibility services aggregators) to further control the same load through a contractual agreement with the consumer or retailer.

The Authority has received an enquiry about how this sort of dynamic/on request load control should be represented on the registry.

This dynamic load control signal is in addition to the existing load control signal that is controlled by the distributor. The dynamic load control relay is likely to be integral to the meter and likely to be controlling the same load (electric hot water) as the distributor-control. There may be two separate relays at the same ICP or the distributor may contract the MEP to use their relay to also respond to the distributor's signal in addition to the dynamic load control signal. These two separate control signals are likely to be at different times of the day (but the periods may overlap) meaning there may be multiple periods of availability. However, the registry currently only allows a single register content code and period of availability to be populated.

For clarity, MEPs must make sure the register content code and period of availability in the registry reflects the period of availability that the distributor has control over and is

reflected in the distributor agreement and pricing. This is because the main purpose of the register content code is for MEPs to advise retailers of the distributor's control and therefore the pricing options that can be offered to the retailer's customer.

Although not common currently, the distributor may contract the MEP to provide control services on the distributor's behalf for the purposes of the control in the distributor's agreement and distribution pricing. This may be because the distributor's ripple signalling plant is not working or the ripple signal is not available at the ICP. In this case, the distributor is using the contracted service to provide the load control that is required under its agreement and pricing to the retailer so the MEP must set the period of availability in the registry to be the period that applies for the distributor's pricing at the ICP.

The dynamic load control service is a contracted service between the retailer and MEP (or other third party). It is possible that not all retailers will have a contractual agreement with the MEP (or other third party that is offering the dynamic load control service). Retailers will need to be made aware of the additional dynamic load control service available at the ICP but the service provider (MEP or other third party) should make sure this takes place outside of the registry.

The Authority is considering a project to consult on adding functionality in the registry to allow participants to signal that value-added services (like dynamic load control) may be available at an ICP.

Peter Kerr  
**Compliance Manager**