

Network connections project – proposed stage one amendments to Part 6 of the Code

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Allen Davison - Principal Analyst Retail & Network Policy

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NETWORK CONNECTIONS PROJECT OVERVIEW

Distribution networks use fit-for-purpose application processes and standards to operate efficiently, competitively and reliably

Stage One

Connecting to networks, and amending existing connections, is more efficient (eg, easier, faster, more equitable and more consistent across networks)

Focuses on **connections** – connecting, and amending the connection of large-capacity load and DG

Stage Two

Distribution networks operate efficiently, competitively and reliably by using fit-for-purpose connection and operation standards

Will focus more on **operations** – will consider the remaining provisions in Part 6

BACKGROUND



PROJECT CONTRIBUTES TO GOVERNMENT PRIORITIES

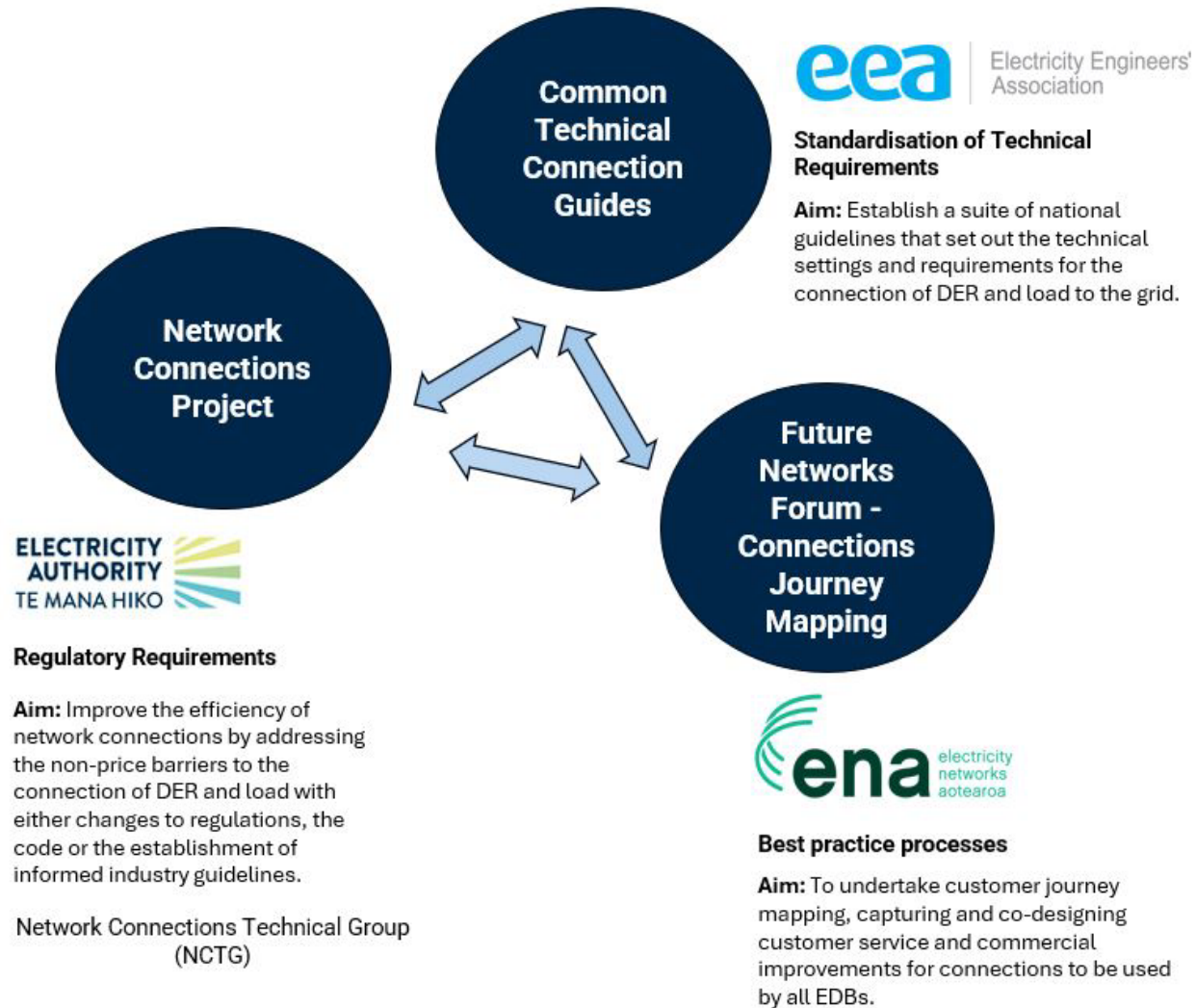


PROJECT IS SUPPORTED BY THE NETWORK CONNECTIONS TECHNICAL GROUP (NCTG)

- Established March 2024
- Industry-wide representation:
 - Distributors, access seekers (eg, SEANZ, charge point operators, retailers), specialists
- Four meetings between April – June
- Overall, strong NCTG consensus
- Important contribution from Transpower (as grid owner and system operator) + EEA as observers

WE'VE CONNECTED INTO BROADER SECTOR INITIATIVES

Streamlining Connections Programme



NON-PRICE BARRIERS TO NETWORK CONNECTIONS



SUMMARY OF ACCESS SEEKER CHALLENGES (DG AND LOAD)

- Little visibility of available network capacity and applications waiting to connect
- Wide variation in distributors' application processes
- Some EDBs do not have the resources or systems to engage well with access seekers
- Poor visibility of the application process and what is required to connect
- Code has weak provisions for the efficient queueing and management of applications, and for competing applications
- EDB approval times can sometimes be slow, with long waits for electricity infrastructure to be installed

DISTRIBUTOR CHALLENGES

- Increasing applications to connect, and to upgrade connections
- Strong competition for capacity (a challenge for applicants too!)
- Connecting larger and more complex DG applications
- Poor but improving visibility of network capacity
- Supporting the transition to electric transport
- Supporting decarbonisation (eg, industrials, commercials, ports)
- Managing power quality in an increasingly flexible environment
- Managing constraints (eg, infrastructure, human resources, supply-chain)

PROJECT FOCUSES ON PART 6 OF THE CODE

- Last substantive review was 10 years ago
- Originally *Electricity Governance (Connection of Distributed Generation) Regulations 2007*
- Transferred to the Code, unchanged, in 2010
- Some minor amendments since last substantive review

Electricity Industry Participation Code 2010

Part 6
Connection of distributed generation

Contents

6.1	Contents of this Part
6.2	Purpose
6.2A	Application of Part to distributors in respect of embedded networks
6.2B	Application of Part to distributors in respect of systems of lines not directly or indirectly connected to grid
6.3	Distributors must make information publicly available
6.4	Process for obtaining approval
6.4A	Distributor and distributed generator may agree to simpler process for existing connection
6.5	Connection contract
6.6	Connection on regulated terms
6.7	Extra terms
6.8	Dispute resolution
6.9	Pricing principles
6.10	<i>[Revoked]</i>
6.11	Distributors must act at arm's length
6.12	This Part does not affect rights and obligations under Code
	<i>Transitional provisions</i>
6.13	This Part does not apply to earlier connections

Schedule 6.1
Process for obtaining approval

Preliminary provisions

Part 1
Applications for distributed generation 10 kW or less in total

Application process
Post-approval process

Part 1A
Part 2
Applications for distributed generation above 10 kW in total

Initial application process
Final application process
Post-approval process

Part 3
General provisions
Confidentiality
Annual reporting and record keeping
Costs

Schedule 6.2
Regulated terms for distributed generation

1 April 2023

OUR AIMS FOR PART 6 *CONNECTING DISTRIBUTED GENERATION*

- promotes competition, reliability and efficiency
- is consumer-centric
- is complemented by industry processes and guides
- is transparent, understandable and fair
- encourages consistent practice by distributors and applicants
- increases the rate of uptake of network connections and connection upgrades
- focuses resources on projects most likely to connect
- is flexible, but firm where necessary (eg, timelines to approve applications)
- supports an appropriate level of power quality on networks
- aligns with grid connection processes, where possible
- is cost-neutral for distributors
- is technology agnostic
- supports Government goals
- improves investor confidence and decision making
- improves industry productivity
- enables sector performance to be monitored, and
- is periodically reviewed to identify areas for improvement.

DRAFT PROPOSALS

CAVEAT - PROPOSALS ARE STILL IN DEVELOPMENT AND REQUIRE LEGAL AND EA BOARD REVIEW – SO ARE PROVISIONAL



NINE STAGE ONE PROPOSALS

Part 6 proposals:

- A. amend large-capacity DG application process
- B. add load application processes
- C. distributors publish network connections pipeline
- D. distributors provide more information on network capacity
- E. regulated terms are updated
- F. add regulated and prescribed terms for load
- G. increase record-keeping requirements for distributors
- H. new and amended Part 1 definitions
- I. incidental and minor amendments

SUMMARY OF LARGE DG PROPOSALS

Easier, faster, more equitable and more consistent processes across networks

Distributor publishes network capacity information quarterly (where known)					
Large applications in network connections pipeline (until 6 months after connection)					
Pre-application	Initial application	Interim application (large DG and load only)	Final application	Post final approval	Post connection
	Maximum export power				
	Mandatory fee				
	Processing deadline	Processing deadlines	Processing deadlines		
	Resubmit application at no cost	Resubmit application at no cost	Resubmit application at no cost		
			Propose external conditions be met for final approval		
			Updated priority requirements + complementary applications encouraged	Meet distributor's queueing and management policy	Updated regulated terms for DG
Detailed policies and processes – Streamlining Connection Programme (ENA leads)					
Technical – Streamlining Connections Programme (EEA leads)					

SOME EXPECTED BENEFITS

- Improved efficiency
 - eg, more consistent and improved distributor practices, better use of existing network capacity, deferred or avoided investment in new capacity
- Increased security and resilience
 - eg, faster DG connections, improved connection and operating standards
- Faster decarbonisation
 - eg, faster fuel switching, and connection of electric vehicle chargers
- Greater investment
 - eg, better investment conditions, more information and clarity
- improved productivity
 - eg, reduced barriers to new connections and amending existing connections.

NEXT STEPS



INDICATIVE TIMING OF NEXT STEPS

Action	Timing
EEA industry workshop	10 Sept (half-day)
Release consultation paper & draft Code	Late Sept / early October (8 weeks consultation)
Release decision paper	Early-mid 2025
Stage two of project begins	Early-mid 2025
Stage one implementation	2026

STAGE TWO (STARTS 2025)

Some of the identified issues:

- small-scale distributed generation application processes
- fees
- congestion and curtailment practices
- connection and operation standards
- unauthorised connections
- disputes resolution processes
- competition for network studies and capital works
- coverage of secondary networks

QUESTIONS?

Allen Davison

Principal Analyst – Retail & Network Policy

Allen.Davison@ea.govt.nz

DDI: 04 471 8625