

Minutes of the Distribution Connection Pricing Technical Group Meeting 1

Held on 25 June 2024, 1:30 – 4:00PM
via MS Teams

- Members present:** Catherine Marks (Chair), Tim Hewitt (observer), Simon Shen, Jon Stone, Richard Sharp, Tarryn Butcher, Nathan Astwood, Steven Cooper, Howard Wood, Sam Steele, Stephen Peterson, Alex Nisbet
- Apologies:** Danielle Bayly
- In attendance:** Katherine Hume-Pike (Electricity Authority), Ross Parry (Concept Consulting), Briana Yee (Electricity Authority)

The Chair opened the meeting at 1:30pm.

1. Introduction

- 1.1. The Chair welcomed members to the first meeting of the Distribution Connection Pricing Technical Group (DCPTG). A quorum was established, with all members in attendance virtually except Danielle Bayly who will join the group when she starts in her new role.
- 1.2. The Chair presented the meeting agenda and the objectives for the session.
- 1.3. Common themes that the DCPTG members identified as top priorities:
 - (a) flexible, equitable, enduring and workable solutions
 - (b) avoidance of cross-subsidisation
 - (c) increase in standardisation
 - (d) transparent policies and processes that help access seekers and customers understand the prices they face and how they were developed.

2. Ways of working

- 2.1. The Chair presented an overview of the DCPTG's operation and ways of working, including the role of the chair and Electricity Authority staff and advisers.

- 2.2. The Chair highlighted the requirements for confidentiality and continuous disclosure, set out in the protocol attached to the Terms of Reference and emphasised the importance of being familiar with the contents of the protocol. The Chair emphasised that the members had been selected in their personal capacity and focus on the Authority's objectives. The Chair also emphasised the importance of staying with scope given timeframes and in the interests of efficiency.

3. Recap of the Terms of Reference

- 3.1. Ross led a recap of the DCPTG Terms of Reference, noting that the Group will work directly with Authority staff and advisers to develop and assess the workability of options to take to the Board. This work is distinct from the policy process.
- 3.2. A question was asked regarding when an announcement would be made about DCPTG membership and the members were advised this would occur shortly.

Action 1.1: The Authority will notify all DCPTG members when membership is announced and confirm that the email distribution group works for members.

4. Overall timelines

- 4.1. Ross gave an overview of the high-level project timeline out to March 2025 and outlined the objectives for the next four DCPTG meetings.
- 4.2. Ross reiterated that the work of the DCPTG runs parallel with the policy process. As such, some topics or issues are out of scope.

5. Primer on connection pricing approaches

- 5.1. Ross led a discussion to provide context to the work. Connection pricing is unregulated and there is evidence of EDBs increasing connection charges at a time when more customers are seeking access for electrification. Other issues raised by access seekers was also discussed.
- 5.2. Members' comments and questions included:
 - (a) Clarification on the difference between system growth capex and consumer connection capex, and how they are defined in regulation,
 - (b) Clarification on what types of costs are included in system growth capex, consumer connection capex, and how vested assets are accounted for,
 - (c) Assumptions around how lines companies finance their capital investments,
 - (d) Risks around offering non-secure or flexible connections to customers.
- 5.3. Ross then provided an overview of the problem definition.

5.4. Common themes raised in discussion included financeability, contestability, and first mover disadvantage.

6. Next meeting

6.1. The Authority confirmed that the next meeting will be held in-person in Wellington on Thursday, 4 July 2024. Subsequent meetings will be held online.

Action 1.2: The Authority will set up a central folder for meeting materials and notify members once it's ready.

6.2. The meeting closed at 4:10pm.

7. Action point summary

- The Authority will notify all DCPTG members when membership is announced and confirm that the email distribution group works for members.
- The Authority will set up a central folder for meeting materials and notify members once it's ready.

Confirming that the DCPTG has approved that the meeting minutes are a true and correct record.

Dated this 4th day of July 2024.



Catherine Marks

Chair