

Aurora Energy's submission

**Electricity Authority's (Authority) proposed
changes to the Default Distribution
Agreement**

31 July 2024

1. INTRODUCTION

1. Aurora Energy Limited (Aurora Energy) welcomes the opportunity to submit its views on the Electricity Authority's (Authority) "Proposed changes to the default distributor agreement" consultation paper.
2. Aurora Energy supports the positions taken by the Electricity Networks Aotearoa (ENA) in its submission. We are especially concerned that the administrative burden and associated costs of the proposed changes to clause 9.10 would outweigh any benefits to consumers.
3. No part of our submission is confidential.

2. CLAUSE 9.10 REDUCTION OF CHARGES DUE TO ELECTRICITY SUPPLY INTERRUPTION

4. Aurora Energy's view is that the proposed change to make clause 9.10 a core term of the Default Distribution Agreement (DDA) would be administratively burdensome for Electricity Distribution Businesses (EDBs) and not provide any benefit for consumers in the long-term.
5. Even if it is possible, as the Authority suggests, for EDBs to use or adapt established industry systems and processes to advise the retailer of ICPs that are affected by an electricity supply interruption, there will still be significant administrative costs and resources involved in processing the reductions. These costs will ultimately be borne by consumers.
6. Furthermore, if we understand correctly, any reduction given to some consumers under this clause, will ultimately be recovered from all consumers in a future period through the wash up mechanism. This clause effectively just redistributes the recovery of allowable revenue amongst consumers, with no benefit to consumers as a whole. When the additional administrative costs of the clause are also considered, consumers are likely to be worse off because of this change.