

8 November 2024

Electricity Authority  
PO Box 10041  
Wellington 6143

By email: [operationsconsult@ea.govt.nz](mailto:operationsconsult@ea.govt.nz)

Dear Authority team,

## Submission to the Electricity Authority (Authority) on first steps in improving outage coordination consultation paper - October 2024

Electricity Networks Aotearoa (ENA) appreciates the opportunity to make a submission to the Authority on its consultation paper on “*first steps in improving outage coordination*”.

ENA is the industry membership body that represents the 29 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses (our members are listed in Appendix A). EDBs employ 10,000 people, deliver energy to more than two million homes and businesses and have spent or invested \$8 billion in the last five years. ENA harnesses members’ collective expertise to promote safe, reliable and affordable power for our members’ customers.

### Ambiguity in proposed changes

We support the Authority’s intent to remove ambiguity by making amendments to better reflect current practice.<sup>1</sup>

However, from a distributor perspective, this consultation has increased ambiguity for EDBs. The consultation language focuses on ‘asset owners’. Based on our understanding of the definition of ‘asset owners’ from the Code, distributors are captured by this definition as they are participants who own assets “used for the generation or conveyance of electricity.”<sup>2</sup> Although we also understand this may not be the intent, based on the Part 1 definition of ‘asset’:

*asset means equipment or plant that is connected to or forms part of the grid and, in the case of Part 8, includes equipment or plant that is intended to become connected to the grid and equipment or plant of an embedded generator<sup>3</sup> [emphasis added]*

We would appreciate it if the Authority could clarify whether it is the Code intent for EDBs to be ‘asset owners’ through their connections to the grid via grid exit points (GXP).

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<sup>1</sup> Electricity Authority, [First steps in improving outage coordination | Our consultations | Our projects | Electricity Authority](#)

<sup>2</sup> Electricity Authority, Electricity Industry Participation Code 2010, [FULL MERGED CODE - 12 September 2024.pdf](#), pdf page 5

<sup>3</sup> Electricity Authority, Electricity Industry Participation Code 2010, [FULL MERGED CODE - 12 September 2024.pdf](#), pdf page 5

Our interpretation of the rationale for the changes in this consultation, as well as the fact distributors are not explicitly referenced,<sup>4</sup> suggest that it may be an unintended consequence of the proposed changes that distributors are now part of the scope. However, the ‘outage’ definition has been extended to include reference to assets connected to ‘the grid or a local network’ [emphasis added]. We would be grateful if the Authority could clarify its intent.

Our interpretation is that under the Authority’s proposed changes, distributors would be required to report all outages, regardless of the scale of them. If so, this could result in an ‘information overload’ at the System Operator (SO), as many of the outages on distribution networks would be immaterial to the SO. We’re not sure this would be a valuable increase in information, or just add to the ‘noise’ that the SO would need to work through, to understand the true impacts on the system.

### **Practical implementation and timelines**

Regardless of these clarifications, in light of the impractical implementation deadlines arising from the recent Default Distributor Agreement amendments,<sup>5</sup> we request that the Authority discuss the timelines and transitional arrangements of any changes with affected parties prior to gazetting future Code changes. In the case of these outage reporting proposals:

- systems may need to be amended to accommodate the standardised reporting
- processes will need to be amended to reflect the additional reporting
- staff may require training on both of the above.

Such changes will take time and resource to implement and it is good regulatory practice to identify and address “practical design, resourcing and timing issues required for effective implementation and operation”<sup>6</sup> of proposed changes. The government also states that “before a substantive regulatory changes is formally made, the government expects regulatory agencies to:

- allow regulated parties reasonable time to get familiar with new requirements before the change comes into force (unless this would compromise the outcome sought)
- test key operational processes required to implement the change.”<sup>7</sup>

If the Authority does intend to capture EDBs in this change, a January 2025 implementation date is too soon. Once the Authority has considered the submissions and finalised the decision, practical implementation discussions with affected parties will ensure that the Authority has accurate and up to date information regarding the reasonability of proposed timeframes, and can then amend its plans to suit.

### **Responding to specific Authority questions**

We address the Authority’s specific questions in the table below.

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<sup>4</sup> For example, in the Executive Summary on page 2 and in paragraph 4.5 on page 8, the paper refers to “Generators, large industrial consumers, and transmission” owners or assets. Distributors are not explicitly mentioned at all in the paper.

<sup>5</sup> [Changes to the DDA templates and Part 12A clauses - Decision paper.pdf](#)

<sup>6</sup> [Government Expectations for Good Regulatory Practice](#), page 6

<sup>7</sup> [Government Expectations for Good Regulatory Practice](#), page 4

EA QUESTIONS	ENA COMMENTS
<p>Q1. Do you agree with the issues identified by the Authority?</p>	<p>We do not believe it is the Authority’s intent to capture EDBs within the scope of this consultation and we are not aware of the SO having raised concerns about the level or quality of information received from distributors.</p> <p>If the Authority is of the view that EDBs <i>should</i> be captured under the proposed amendments, ENA would appreciate further consultation, in which the Authority makes this clearer within the issues identified and the proposed solutions.</p>
<p>Q2. What other outage coordination issues should the Authority consider for our future programme of work? Please expand.</p>	<p>No comment.</p>
<p>Q3. Do you agree with the proposed changes to outage coordination obligations on the system operator and asset owners? If not, what don’t you agree with and why?</p>	<p>If distributors are intended to be captured via the amended definitions, then we feel these changes are unnecessary. They will add administrative burden to the distributors in the level of reporting requirements. But also burden to the SO, as the lack of a threshold means that a large proportion of reported outages will be immaterial for the SO.</p>
<p>Q4. Do you agree the analysis presented in this regulatory statement? If not, why not?</p>	<p>We don’t think the basis for the problem statement is clear enough to allow a full understanding of the benefits the Authority feels these changes will generate.</p>
<p>Q5. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority’s statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>The paper doesn’t appear to have presented a consideration of other options. As compared to the ‘status quo,’ our preference is for no change for distributors, as existing arrangements appear to be sufficient already.</p>
<p>Q6. Do you have any comments on the drafting of the proposed amendment?</p>	<p>The proposed amendment brings in ambiguity around the role of the distributor in these changes. Neither the consultation paper, nor the website preamble, make reference to distributors or there being a problem with current distributor reporting, and yet the proposed amendments appear to capture the distributors as well, by way of the amended ‘outage’ definition. It would be very useful if the Authority could make it explicitly clear whether this was the intent.</p>

EA QUESTIONS	ENA COMMENTS
	<p>If it is not the intent to capture distributors, we recommend the following change to the proposed drafting amendments with respect to the definition of an 'outage' as contained on page 14 of the consultation paper:</p> <p><u>outage; (a) for the purposes of Technical Code D of Schedule 8.3, means any situation where an asset that forms part of, or is connected to, the grid <del>or a local network</del>—</u></p> <p>Either way, we also recommend that the Authority work with the affected parties to determine an appropriate lower threshold for reporting to ensure no party is unnecessarily burdened by the level of reporting. The outage reporting should be based on a level that is useful for system planning and coordination.</p>

If you have any questions about ENA's submission please contact Gemma Pascall, Regulatory Manager ( ).

Yours sincerely

Gemma Pascall  
Regulatory Manager

## Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below:

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- Electra
- EA Networks
- Firstlight Network
- Horizon Networks
- Mainpower
- Marlborough Lines
- Nelson Electricity
- Network Tasman
- Network Waitaki
- Northpower
- Orion New Zealand
- Powerco
- PowerNet (which manages The Power Company, Electricity Invercargill, OtagoNet and Lakeland Network)
- Scanpower
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower