

12 November 2024

Electricity Authority
PO Box 10041
Wellington 6143

Submitted via email to fsr@ea.govt.nz

Consultation Paper – Addressing common quality information requirements

Introduction

1. Thank you for the opportunity to submit on the consultation paper 'Addressing common quality information requirements.'¹ This submission is not confidential and can be publicly disclosed.
2. Orion owns and operates the electricity distribution infrastructure in Central Canterbury, including Ōtautahi Christchurch city and Selwyn District. Our network is both rural and urban and extends over 8,000 square kilometres from the Waimakariri River in the north to the Rakaia River in the south; from the Canterbury coast to Arthur's Pass. We deliver electricity to more than 228,000 homes and businesses and are New Zealand's third largest Electricity Distribution Business (EDB).

Orion summary points

3. We have reviewed the consultation paper, and our specific responses to the questions posed by the Authority as well as other feedback we consider appropriate to the consultation are set out in [Appendix A](#).

Concluding remarks

4. Thank you for the opportunity to provide feedback on this consultation.
5. If you have any questions or queries on aspects of this submission which you would like to discuss, please contact us on 03 363 9898.

Yours sincerely,



Connor Reich

Regulatory Lead – Electricity Authority

¹ https://www.ea.govt.nz/documents/5739/Addressing_common_quality_information_requirements.pdf

Appendix A

Submitter	Orion New Zealand Limited (“Orion”)
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Questions	Comments
<p>Q1. Do you agree with the key drivers of change in power system modelling requirements identified in this section?</p> <p>If you disagree, please explain why.</p>	<p>Yes, we agree with the key drivers of change in power system modelling requirements identified. The increasing penetration of inverter-based resources (IBRs) and the changing nature of the power system necessitate more sophisticated modelling approaches.</p>
<p>Q2. Are there any other drivers of change in power system modelling requirements which are not covered in this section?</p> <p>If so, please elaborate.</p>	<p>No comment.</p>
<p>Q3. Do you agree with the Authority’s elaboration on the common quality-related information issue set out in this section?</p> <p>If you disagree, please explain why.</p>	<p>Yes, we agree with the Authority's elaboration on the common quality-related information issue. The lack of sufficient information for network operators and owners presents a significant challenge in managing the evolving power system.</p>

<p>Q4. Do you agree that the current provisions in the Code are insufficient to address the common quality-related information issue described in this section?</p> <p>If you disagree, please explain why.</p>	<p>Yes.</p>
<p>Q5. Do you consider there to be any other aspects of the common quality-related asset information issue that are not covered in this section?</p> <p>If so, please elaborate.</p>	<p>We have limited visibility of ‘behind-the-meter’ DER. We agree with the Authority’s comment in paragraph 4.29 but would expand the scope – we have little or no visibility of the operating status of DER that is outside of our direct control. This is especially concerning given the Authority’s view the hot water load control is a form of flexibility that should be transitioned to an ancillary service provided by third parties, which EDBs should pay for.² To ensure an effective response to Grid Emergency Notices (GEN) or Warning Notices (WRN) and meet our Part 8 Code obligations, it will be essential for distributors to have visibility of DER operating behind the meter, and at minimum, have the ability to coordinate an effective response.</p> <p>As the Authority is aware, aggregators are not included as Participants in the Code, nor do they have any obligations to act in accordance with Good Electricity Industry Practice. There is a risk, as aggregators begin controlling significant amounts of DER behind the meter, that distributors lose even more visibility as to what is occurring on their networks.</p>
<p>Q6. Do you agree with the shortlisted options presented by the Authority? If you disagree, please explain why.</p>	<p>Yes, we generally agree with the shortlisted options. However, we note that the three options identified all appear to be focussed on enabling data sharing between participants – the System Operator, distributors and the Grid Owner. The issues identified in paragraphs 4.6 – 4.14 suggest that a more pressing issue may lie in ensuring data quality, completeness, and standardisation of models that are shared with participants. While we agree that sharing data is a concern, equal weight should be put on ensuring that manufacturers and generators provide detailed, accurate, and complete models to the System Operator, Grid Owner and distributors.</p> <p>We also request that the Authority provide further details to us on what it sees as an ideal path forward under all three options. It is not clear in the consultation document if the common-quality information requirements in paragraph 5.7 would apply to all three options.</p>

² https://www.ea.govt.nz/documents/526/IPAG_explainer_of_the_wholesale_market_and_ripple_control.pdf

<p>Q7. Do you have any feedback on the desirability of a document incorporated by reference in the Code specifying various common quality-related information requirements?</p>	<p>Yes, we prefer the versatility of a document incorporated by reference into the Code. Please see our response to the Authority’s recent consultation on governance and management of harmonics, where we advocate for a similar approach for the EEA Power Quality Guidelines.³</p>
<p>Q8. Do you agree with the pros and cons associated with each option? What costs are likely to arise for affected parties (eg, asset owners, network operators and network owners) under each of the options?</p>	<p>No. We disagree with the con in paragraph 5.21(a): many distributors are community-owned, and so any perceived investment advantage also benefits consumers. We also do not own or operate generation, and thus do not compete with third-party DER owners/operators—accessing this information aids us in fulfilling our common-quality Code responsibilities better while reducing investments in over-capacity network assets.</p> <p>We also disagree with the pro in paragraph 5.23(f). While a common repository is a <i>good idea</i>, we have questions as to who would be responsible (and accountable) for managing this service, to ensure that it is fit for purpose for all parties. A centralised, secure data platform managed by an independent entity, where Participants could share and access relevant information based on pre-defined access³ rights would be beneficial – it is critical to identify and discuss how this would occur.</p>
<p>Q9. Do you consider any perceived conflicts of interest under the second and third shortlisted options to be material in nature? If so, please elaborate</p>	<p>No, please see our response to Q8. The perceived conflicts of interest in Options 2 and 3 are not materially concerning from our perspective.</p>
<p>Q10. Do you propose any alternative options to address the common quality-related information issue? If so, please elaborate.</p>	<p>No comment.</p>

³ <https://www.oriongroup.co.nz/assets/Our-story/Submissions/EA/Orion-submission-The-governance-and-management-of-harmonics-August-2024.pdf>, pages 5 - 6

<p>Q11. Do you agree with the Authority's high-level evaluation of the short-listed options to help address the common quality-related information issue? If you disagree, please explain why.</p>	<p>Yes, Orion would prefer Option 2 or Option 3 to be implemented.</p>
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