



**T R A N S P O W E R**

Waikoukou  
22 Boulcott Street  
PO Box 1021  
Wellington 6140  
New Zealand  
P 64 4 495 7000  
F 64 4 495 6968  
[www.transpower.co.nz](http://www.transpower.co.nz)

Electricity Authority  
By email: [connection.feedback@ea.govt.nz](mailto:connection.feedback@ea.govt.nz)

20 December 2024

## Network connections project: stage one amendments

We appreciate the opportunity to submit to the Authority's consultation on the *Network Connections Project: Stage one amendments*, published on 25 October 2024.

In principle, Transpower supports the Authority's proposal to improve the efficiency of network applications processes with changes to Part 6 of the Electricity Industry Participation Code, *Connection of distributed generation*. Like Transpower's connection pipeline, distributors' connection pipelines should contribute to the balance between generation and demand. We also appreciate that the proposal starts with large-capacity load and generation connections.

We do not support mandating timeframes for the completion of an application. There will be factors outside of a distributor's control, whether the applicant or other parties not subject to the Code. These are best dealt with through policies and agreements between the applicant and the distributor. We therefore recommend that these are principle based to reduce rigid compliance obligations.

The Authority should also consider that the industry is presently resource constrained and this can have the unintended consequence of slowing down other work. It is also likely that distribution businesses do not have budget for this unforeseen expenditure under the DPP4 allowances for the next 5 years, which means that they will need to reduce expenditure in other areas or apply for a reopener to comply.

Yours sincerely

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## Appendix- Response to Questions

### Submission form

#### Pages 77 – 83 of the Consultation Paper

Submissions due 5.00pm 20 December, to [connection.feedback@ea.govt.nz](mailto:connection.feedback@ea.govt.nz)

<b>Submitter / Organisation</b>	<b>Transpower NZ Ltd</b>
<b> </b>	

Questions	System Operator feedback	Grid Owner feedback
Q1. Do you agree the issues identified by the Authority are worthy of attention?	No comment	Yes, the issues appear to be reasonable.
Q2. Do you agree with the objectives of the proposed amendment? If not, why not?	No comment	<p>Not all of them:</p> <p>A3, A6 and A12 – The applicant is not a participant under the Code and therefore, is not bound to any compliance obligation. Therefore, the objectives may not be met if the applicant does not provide information in a timely manner which delays the application decision.</p> <p>A7 – there may be situations where additional chargeable time is required to reassess the application. How does the Authority intend distributors to recover the cost of reassessment?</p> <p>A8 – where there are implications to the high voltage Grid, some large DG connections may be dependent on a Transpower project with an extended timeframe.</p>

Questions	System Operator feedback	Grid Owner feedback
		A10 – refer to A3 and A6 if applications are required to meet external conditions to meet final approval.
Q3. Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?	Network capacity will still be assessed against constraints. It may result in developers seeking more appropriate sites where there aren't any network constraints. It is uncertain whether more efficient use of distributors internal resources will be achieved. As mentioned previously, the sector has a skill shortage, so it is likely to result in a focus on connections, taking resources away from other critical areas of distribution.	Unsure. Constraints are already discussed annually in the Asset Management Plans and Information Disclosures, including Related Party Transaction information.  This proposal may result in duplication of work.
Q4. Do you agree the proposed amendments are preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in sections 15 and 16 of the Electricity Industry Act 2010	Yes, the proposed amendments appear reasonable.	Yes, the proposed amendments appear reasonable.
Q5. Do you agree the Authority's proposed amendments comply with section 32(1) of the Act?	Yes, we believe that promoting competition in the industry is important. However, the Authority has not considered the requirements to be placed on applicants. They should provide timely and accurate information to meet the requirements of the Code amendments. It also needs to consider minimising those applications which are only in the exploratory phase of their business plans.	Yes