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Network connections project: stage one amendments

1. This is EA Networks ("our", "we") response to the Electricity Authority's ("Authority") proposed Network Connections Project: Stage one amendments. This submission is not confidential and can be published on the Authority's website.

2. EA Networks appreciates the opportunity to discuss our concerns alongside other Electricity Distribution Businesses (EDBs). We support the ENA submission for this Network connections project: stage one amendments consultation.

3. EA Networks would like to take the opportunity to highlight that the scope of our responses are from our perspective and engagement as a small-scale EDB. While we understand the driver to provide a consistent approach for customers who engage across New Zealand, we feel the Authority should take into consideration the different characteristics, scale, customer base, and capability of EDBs. This impacts the cost to benefit ratio, given some may be required to implement processes well beyond what is required for (as example) a small number of DG applications a year or a small number of EV charging station applications a year.

4. EA Networks suggests that rather than regulating within this space, providing guidance on industry best practice will enable EDBs across New Zealand to best meet customer needs that is contextualised to the nature and the area that the network company operates. The FNF Streamlining Connections work programme demonstrates a desire across the industry to collaborate and improve consistency of processes and information across the large-DG, large network connections (greater than 300kVA in capacity) and CPOs space. We would suggest being able to align any regulatory changes with the outcomes of this key piece of work.

5. As context, we have the following:

    a. One Charge Point Operator applications resulted in connections in FY 2025, four in FY2024, one in FY2023.
    b. According to DETA EV journey charging capacity forecasts, Ashburton township has circa 700kVA of EV charging over-capacity compared to forecast demand in 2030. Our feedback from CPOs seeking connections is that our connection process works well and they are satisfied with the service recieved. We provided data on the above EV charger connection applications to the EBD data collated by ENA in July 2024.

c. Large scale Distributed Generation (DG) connections (solar that meets the Authority's definition of Large DG (>300kW)
    i. 2022 = 0
    ii. 2023 = 1
    iii. 2024 = 5
    iv. Upcoming known DG (2026 / 2027) = 0 (connections are in the pipeline but not confirmed to connect)
d. EA Networks has had a considerable number of solar DG applications greater than 300kVA in recent years, and has developed a good system for recording, managing and responding to applications. Applicant feedback is positive in terms of timeframes, communication and outcomes. We approved the DG application, negotiated contracts for and successfully delivered the network connection for the 47MW maximum export Genesis Energy/FRV Australia Lauriston Solar Farm on time and under budget (completed November 2024). Even with this level of applications totalling a potential capacity of circa 80 MW, we have not seen the justification for a queue management system and pipeline reporting process.

6. Timeframe Pause and Resume provisions related to applications:
   We acknowledge the draft proposal's intention to allow the total timeframe to pause if distributors require missing information from distributed generators and resume once the information is provided. However, we believe this approach is overly generic and does not adequately address scenarios outside of distributors' control.
   For instance, issues such as in-house resource constraints or the availability of external consultants to perform studies or design connections can also impact the ability to meet the specified timeframes. These challenges are not accounted for under the current proposal.
   We recommend the Electricity Authority consider adopting a more nuanced framework, similar to the rules developed by Ofgem in the UK. Ofgem's "clock start/stop/pause" provisions outlined in its connection guidance provide a robust example of a workable solution that accommodates various real-world scenarios. We encourage the Electricity Authority to review Ofgem's guidance (https://www.ofgem.gov.uk/sites/default/files/docs/2010/09/connections-gsop-guidance-sept_0809.pdf) and incorporate into Part 6 of the Code.
7. Evidence of project investment decision:
   We are concerned about the practicality of Clause 12.3(c) of Appendix 3 in Schedule 6.1, which requires distributed generators to provide evidence of a project investment decision when making the final application.
   In practice, this requirement may be unworkable for some distributed generators, as they often rely on receiving final application approval from distributors before obtaining a project investment decision. This creates a circular dependency that could hinder project progress.
   We suggest revising this clause to allow greater flexibility. For example, evidence of a project investment decision could instead be required as part of the connection agreement stage as a condition to connect, where it is more appropriate and aligns with practical workflows for distributed generators.

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Submission form

Introduction

The Electricity Authority Te Mana Hiko seeks views on the DG proposals in the 'Network connections project: Stage one amendments' consultation paper. To assist you, this submission form includes the questions in that paper in one place, in Microsoft Word and in tabular form.

You are not limited by the questions provided and are encouraged to provide other comments you think are relevant to the Authority's proposals.

Submission details

Submitting organisation	EA Networks
Contact person	[redacted]
Contact email	[redacted]

Questions

Proposal A questions: Amend the application processes for larger-capacity DG applications
A) What are your thoughts on the proposal to replace nameplate capacity with maximum export power?
EA Networks assesses DG applications on the basis of the impact to the network of the maximum export or real and reactive power. That is in line with using maximum export power. We assess the limiting factor on export, either the DG energy source, the connecting inverter or if applicable, BESS capacity. It is however helpful in applications to receive data for all of those components to ensure the DG application is fully analysed.
B) Do you support the proposed Process 2 for medium DG (>10kW and <300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size threshold? What other changes would you make to the medium DG application process, if any?
C) Do you support the proposed Process 3 for large DG applications (≥300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size thresholds? What other changes would you make to the large DG application process, if any?
D) Do you think the Authority should apply any of the proposed changes for large DG to medium DG applications also?
E) What are your thoughts on industry developing the detailed policies to complement the Code changes proposed in this paper?
F) What are your thoughts on the Authority's summary of capacity rights allocation?
Proposal B questions: Add application processes for larger-capacity load
G) For Process 3 for medium load (>69kVA and <300kVA) applications: • Do you support the proposed process and why?

- What are your thoughts on the proposed requirements, size thresholds and timeframes?
- What changes would you make to the medium-load application process, if any?

EA Networks does not support a separate and more involved process for medium load applications. This is because loads of between 69kVA and 300kVA do not pose high technical difficulty that would support a specific process. This size of connection application is considered very much business-as-usual, and the application of a highly defined process may have to opposite effect of slowing down processing of straightforward connection applications.

A larger circa 300kVA load connection or above poses higher technical difficulty and needs more detailed assessment than a circa 69kVA connection. This is because:

- A 69kVA connection imposes less of a network load burden, and generally available margins in thermal capacity, voltage performance and the ability to provide back up capacity for outages are not likely to be breached. A simple assessment can be completed unless its is in a known constrained area.
- A larger 300kVA load will impose enough additional load on the network where thermal constraints (ratings of the upstream distribution feeder) need to be checked or voltage performance may be affected.
- The connection of a larger load may prevent the normal back feed of customers in that network segment for either planned or unplanned outages. Analysis is required to confirm expected levels of reliability can be maintained with the new connection included.

H) For Process 5 for large load (≥300kVA) applications:

- Do you support the proposed process and why?
- What are your thoughts on the proposed requirements, size thresholds and timeframes?
- What changes would you make to the large load application process, if any?

EA Networks supports the FNF Streamlining Connections work underway to standardise and improve genuinely large load connection processes. We believe that industry derived solutions will better match the need to ensure both technical and customer needs are satisfied.

I) Do you think the Authority should apply any of the proposed changes for large load to medium-load applications also? If so, which ones and why?

J) What are your thoughts on the Authority's summary of capacity rights allocation?

K) What else does the Authority need to consider beyond the proposals in this paper and why?

Proposal C questions: Require distributors to publish a 'network connections pipeline' for large-capacity DG and load, and provide information on this pipeline to the Authority

L) Do you support the proposed network connections pipeline, why, why not? What changes would you make, if any? What are your thoughts on the scope of the information to be published?

EA Networks would caution against requiring administrative intensive maintenance of the proposed pipeline of DG and large load network connections requirements, particularly if that is to an auditable standard. This will introduce more administration in both people/time and systems, which is a cost ultimately borne by customers. The Authority should understand the cost of additional requirements and demonstrate the the benefit if any is in excess of the cost.

A key disadvantage of mandating one-size-fits-all requirements is that networks that have a small volume per annum of large-capacity DG and/or load still have to establish the systems and processes required. This incurs cost that is out of proportion to the benefit to customers.

M) What are your thoughts on the proposal for distributors to provide information directly to the Authority on an ongoing basis?

We have similar concerns about the cost and effort required versus benefit as described above.

Proposal D questions: Require distributors to provide more information on network capacity

N) What do you think of the proposal to publish more information on network capacity? What challenges do you see with providing the data? What changes would you make, if any?

O) What are your thoughts on the scope and granularity of the information to be published?

Proposal E questions: Update the regulated terms for DG

P) What are your thoughts on the proposed changes to the regulated terms?

Proposal F questions: Add regulated and prescribed terms for load applications and amend dispute resolution requirements

Q) What are your thoughts on the proposed regulated and prescribed terms for load? What changes would you make, if any?

The regulated terms create a legal construct under which the distributor would be required to maintain a connection in perpetuity. It does not impose any obligation on the access seeker (or subsequent customer) to pay ongoing costs or charges, yet they could seek to enforce the contractual obligation for the distributor to "construct, connect, operate, test, and **maintain**" the network connection (set out in clause 3(1) of the draft Schedule 6.2A).

It cuts across the undertakings in the Default Distributor Agreement (DDA) under which the EDB must provide a distribution service and meet service level standards. The DDA carries all the obligations that the counter-party must meet, and provides a basis for service to be withdrawn where these obligations are not met. It does not appear to us that the regulated terms are covering or addressing any aspect that is not already covered in the DDA.

As a default, it would be very difficult for us to negotiate alternative terms, despite how reasonable those terms might appear to be.

The culmination of a new connection or upgrade process is normally a construction contract to reinforce or extend the network, rather than a contract to provide ongoing services. We are not aware that the ongoing-service aspect has been an issue, and the default terms may prove to be more of a distraction, rather than adding value or addressing an issue.

Other specific problems include:

- The requirement that metering installation measurement must be no more than that required under Part 10 of the Code. This is problematic in situations where we make pricing options available that require enhanced metering. For example, our industrial category that carries a kVA-based charge is available to customers with a capacity of 300 amps or more, but the metering we need to administer the charges is only required under the Code where the capacity is greater than 500 amps. If the clause is inserted, we would need to remove this price option and reduce the flexibility for customers.

- The regulated terms require the distributor to notify the applicant if a temporary disconnection is required. This cuts across DDA that provide the option for the customer's Trader to be notified (where the Trader is responsible for notifying end customers).

- The limits on liability may be taken as additional to the limits specified under the distributor's DDA with the appropriate Trader.

We submit that the regulated terms for load connections should not be included in the Code. Alternatively, the regulated terms should link to the obligations that arise under the relevant default distributor agreement, alternative agreement, or direct conveyance contract, and the default terms should terminate when those obligations are not met.

R) What are your views on the proposed dispute resolution changes for Part 6? In what ways could dispute resolution be further improved? What are your thoughts on the alternative options to deliver dispute resolution discussed in this paper? Do you have any feedback on the 20-business day timeframe proposed?

S) Do you consider the alternative contractual terms option discussed in this paper (and in the Distribution connection pricing consultation paper) would be better than the proposal without contractual terms? What are your thoughts on the other alternative options referred to?

Proposal G questions: Increase record-keeping requirements for distributors

T) Do you support the proposal to increase the record-keeping requirements for distributors and why? What changes would you make, if any?

EA Networks would caution against requiring administrative intensive record keeping requirements, particularly if that is to an auditable standard. This will introduce more

administration in both people/time and systems, which is a cost ultimately borne by customers. The Authority should understand the cost of additional requirements and demonstrate the the benefit if any is in excess of the cost.
Proposal H questions: Introduce new Part 1 definitions and amend existing definitions (Part 1 only)
U) What are your thoughts on the proposed new definitions and amended definitions for Part 1 of the Code? What changes would you make, if any?
V) What other terms do you think the Authority should define and what definitions do you propose for those terms?
Proposal I question: Make minor and incidental amendments to Part 6
W) What are your thoughts on the proposed minor and incidental changes to Part 6? What minor and incidental changes has the Authority missed and what changes would you make, if any?
Transitional arrangement questions
X) What are your thoughts on the transitional arrangements for the proposals in this paper? Submitters can consider individual proposals when responding to this question.
Y) What proposals do you consider the most important? How long do you think is needed to implement these?
Code drafting question
Z) Do you have comment on the Authority's drafting of the proposed Code changes? What changes would you make, if any?