20th December 2024

Tēnā koutou,

Network connections project: Stage one amendments

Submission details

Submitting organisation	Lightyears Solar Limited
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1. Lightyears Solar (Lightyears) appreciates the Electricity Authority's consultation on Code Amendments.

2. Lightyears constructs, owns and operates utility scale solar farms in the 2.5 - 15 MWp size connected to 11kV, 22kV and 33kV distribution networks around Aotearoa. As such our feedback is focused on the new process proposed for **large scale DG** – Proposal A, particularly items A5-A13 and Process 3.

3. Our general feedback is summarised in the following points, and then specific feedback on Proposal A items below.

4. We disagree that **Initial** applications should be approved or declined, and provision that upon timeout the application defaults to approved status. The response to the initial application is primarily to provide information to the applicant to allow them to progress with technical work and to understand network capacity.

   Many DG applications are complicated, or not technically feasible, and placing a 'default approved' timeframe will mean that distributors will move to decline these applications prior to timeout, or request spurious information in order to extend timeframes – similar to how District Councils process Resource Consent applications.

   An initial application 'approval' is meaningless for a large-scale DG application. Complex or larger applications can't usually be 'approved' based on the level of information provided during the initial application. The existing 30-day response timeframe seems to be sufficient in our experience, as most distributors respond with the information currently listed in section 12 of Part 2. If this proposal is to proceed, the Code needs to define the meaning of 'approved' at an initial stage as it may create an obligation on the distributor.

5. In general, we strongly disagree with linking external conditions to final applications (A10), with the exception of a letter of landowner support or other written approval (refer point 5.103). Having landowner support will help to limit speculative applications, and will also link the landowner and property address to the connection applicant.

   We question how distributors will police the proposed external conditions. The proposal may create more work for the distributors, and introduce delay and uncertainty for the applicant. An alternative would be to add post-approval conditions and timeframes – similar to Resource Consents. Additionally, Resource Consents are often sought after, or in parallel with, the DG application. It is not suitable to have this as a pre-condition on connection approval.

6. We disagree that final applications should be subject to evidence of a project investment decision (PID). Refer 5.90 and 5.91. Project developments work the other way around – final application approval is usual a requirement before reaching PID. What does a PID look like and who will determine the suitability of a PID document?

   We understand the rationale for this requirement is to limit speculative applications locking up capacity. However the existing 18 month timeframe following signing of a connection agreement to construct the DG is a good way to prevent speculative projects locking up capacity, provided it is implemented. We suggest the 18 month timeframe is more strictly followed by distributors entering into connection agreements.

   If this proposal is to proceed, we note the proposed Code wording in clause 21 is "milestones *may* relate to" – this is a lighter touch, however could create some uncertainty and puts more responsibility with the distributor. The connection rules will then be governed by the distributor's queuing and management policy – potentially these will vary between distributors. We suggest that a common queuing and management framework is developed by the Authority to use as a basis.

7. Capacity rights appear to be less certain under the proposed changes. The proposed process may create confusion and leave the distributor in the 'decision-maker' role having to determine which competing application gets assigned capacity rights. Under the current wording the 20 working day rule following final application submission creates a clear guide around prioritisation. However we note the new clause 14 in the draft Appendix 3 is a useful addition to manage competing applications within this 20 day period.

   We question the value of adding an additional stage gate (the interim stage). This may introduce further delay to the connection process, and greater project uncertainty as the final approval is later in the process.

8. Below are comments on specific sections of the proposal:

   A3 – approving and declining initial and final applications within a timeframe – we agree with this approach for medium size connections, but not for large scale.

   A5 - we agree with the approach to charge for interim and final application processing for large DG. This will help to reduce speculative connections. However we note the maximum fees in Schedule 6.5 may not be sufficient to cover the costs of processing large scale or complex applications. We suggest in the future pricing changes the Authority considers a fee linked to MW capacity for larger DG applications.

   A7 – Re-submitting at no cost should be linked to a specific site address or a location. If the location or address changes it should be considered a new application and new fees should apply.

   A13 – We generally agree with post-approval conditions requiring projects to meet milestones, however we note it will add an extra responsibility and burden to the distributor to monitor, and that these external milestones can be genuinely out of the control of the applicant (eg. council processing, System Operator response).