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Submission on Targeted Information Disclosure Review – Electricity Distribution Businesses

To the Commerce Commission

From the Electricity Networks Association

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1. Introduction

The Electricity Networks Association (**ENA**) appreciates the opportunity to make a submission to the Commerce Commission (the Commission) on the issues and process paper for the targeted Information Disclosures review for electricity distribution businesses (EDBs). This submission is on behalf of ENA's members (listed in Appendix B to this submission), the EDBs of New Zealand.

EDBs will play a critical role in supporting and enabling the decarbonisation and electrification of the New Zealand economy, as the country responds to the challenges posed by climate change.

2. Executive summary

ENA and its members are pleased to see the Commission following through on the review of the Information Disclosures (ID) for EDBs. During the decade since the current regime took effect, the industry's operating, regulatory and social environments have evolved substantially. With no bigger change, than the world's increased focus on the need to decarbonise, *and the challenges and opportunities posed by new technology*.¹

The purpose of ID is to ensure that sufficient information is readily available to interested persons to assess whether the purpose of Part 4 of the Commerce Act is being met.

The purpose of Part 4 itself is to ensure that monopolies have incentives to innovate, invest, improve efficiency, provide services at a quality demanded by consumers, and share the efficiency gains with those consumers. It is important the Commission keeps sight of this as it progresses its review.

The collection and disclosure of data needs to be meaningful to stakeholders and not simply because it is nice to have, or needed by a business to support its business model. These are not reasons that fulfil the purpose of either the ID or Part 4.²

The regulatory burden on EDBs continues to grow. In the issues paper, the Commission has proposed to introduce 33 new disclosures but has not put forward a single removal. The Commission should consider the effectiveness and value of all IDs as part of its review. Information that does not demonstrably deliver on the objectives of the IDs should be removed.

Additionally, each proposed new disclosure should have its use case examined closely to ensure its benefits in meeting the objectives of Part 4 (Section 52A(1)) outweigh the costs of collation, audit and submission.

The ENA supports the purpose and intent of many of the new or amended measures proposed in the process and issues paper (see section 5). However, the devil will be in the detail of each proposed ID requirement. ENA and its members are eager to work collaboratively with the Commission, to ensure any new or amended disclosures are precisely defined and balance the cost of implementation with their benefits in the achieving Part 4's objectives.

¹ [Commerce Commission, Targeted Information Disclosure Review – Electricity Distribution Businesses, Process and Issues Paper, March 2022](#)

² Section 52A(1)

The ENA and its members would like the Commission to provide a clear roadmap on how it intends to use the new disclosures for regulating non-exempt EDBs via the Input Methodologies (IM) and Default Price Path (DPP).

Comparability is important. Any additional requirements must have consistency and comparability baked in. This requires clear and concise definitions and guidance on their application. ENA looks forward to engaging with the Commission during the consultation on its draft decision, to ensure all disclosures have the required level of precision, detail and clarity to enable appropriate comparability.

ENA and its members have worked together to create the Network Transformation Roadmap (NTR), first published in 2019, to provide guidance and direction to EDBs on how distribution networks need to evolve to support electrification and through that, decarbonisation. In addition, the NTR provides a banner under which the EDB sector can share their experiences of network innovation with their peers and external stakeholders. This helps to raise the capability of all EDBs to manage the impacts of electrification on their networks, as well as demonstrating their ongoing commitment to innovation and decarbonisation.

Recently ENA and its members completed a review of the NTR, informed by their experiences of innovation over the last three years. The original NTR actions remain fit for purpose, with the review focusing on improvements to help EDBs understand and implement the NTR.

The Commission should consider what is the appropriate vehicle for reporting on decarbonisation and innovation. Regard should also be given to the use of templated reporting for these issues and if reporting should not be timebound (i.e. pricing roadmaps). Any reporting should be tied to EDBs progress in the implementation of the NTR.

The ENA's ID working group has conducted a comprehensive review of the IDs. Its recommendations for the Commission are incorporated below and its full report is attached at appendix A.

One of the ID working groups' key recommendations is that the Commission conduct a post-implementation review of the related parties IDs to assess whether their introduction has achieved the objectives of Part 4 and whether the level of disclosure is appropriate. If not, the requirements should be refined, or scope narrowed.

3. ENA supports the Commission's key focus areas

ENA members support the Commission's focus on the key areas of quality of service, decarbonisation and asset management. These focus areas are at the core of EDBs delivery of distribution services to consumers now and in the future. Our assets and the services they enable are fundamental to society's way of life and future prosperity in the face of the changing climate. We also support the focus on the alignment of IDs with other regulatory rules.

4. Process and approach

The ENA and its members welcome the review of the IDs, but the review should be more comprehensive. ENA notes that the Commission's review is of "a targeted scope in order to allow us to prioritise higher-impact

changes and to conduct an efficient process.” The targeted approach the Commission proposes is more suitable to a regime where regular reviews are conducted, and so should not be used here.

The IDs have not been subject to detailed scrutiny for a decade. Over time the IDs have grown in both breadth and depth, without due consideration of the regulatory burden imposed on exempt and non-exempt EDBs. The Commission should expand its review to include removing those requirements that do not help achieve the Part 4 objectives.

The Commission’s irregular reviews of the IDs should be replaced by a regular rolling cycle of review to ensure that out-of-date or superseded disclosures are weeded out, thereby ensuring the IDs remain relevant in achieving the objectives of Part 4.

Harmonisation between DPP decisions and ID is particularly important to avoid discrepancy between reporting requirements under DPP and ID, which leads to unnecessary costs and inconsistency, as is seen with current reliability reporting.

We support adopting a two-tranche approach. ENA’s view of the appropriate make-up of tranche one and tranche two is discussed in detail in section five.

Timing of ID changes made in this review

The timeline for implementing tranche 1 is broadly achievable. However, it poses challenges for EDBs in the establishment of methods, systems and processes for capturing and reporting the disclosures to the standard required to meet audit obligations. The ENA, therefore, recommends tranche 1 items be limited to those that do not require new reporting systems. It is also vital that EDBs be allowed to assign a data quality score to any new measures and that audit requirements be phased in.

In addition, ENA recommends new disclosures be subject to a ‘limited assurance’ review instead of a ‘reasonable assurance’ review, until EDBs have comparable information to ensure data quality is reliable.

The ENA is of the view the Commission should give greater consideration to the interaction between the ID and IM reviews. The proposed process risks repeating the issues of the past where, four years on from the Commission’s final DPP3 decision, the IDs still contain vestiges of the IRIS regime from DPP2.

The final decision on tranche 2 of the ID review will be made a matter of months before the final IM decision. Tranche 2 implementation also abuts the end of DPP3 and it is unlikely any new ID data would be ready to form part of DPP4. This in itself will likely create new and/or changed reporting requirements.

Although ENA views the timing for tranche 2 as appropriate, it notes that a delay of a few months would allow changes resulting from the IM review, due to be completed in the third quarter of 2023, to be incorporated.

5. Potential changes to IDs

In assessing any changes to the IDs, there is one core question the Commission must keep at front of mind — would the proposed change deliver a net benefit when the cost of collation, audit and reporting is compared with benefits in achieving the purpose of Part 4?

Before introducing any new ID requirement, or the greater disaggregation of existing requirements, the cost, resources (financial and human) and systems required for their implementation must be fully considered. Their

introduction should also be phased to reflect the requisite transition from the systems and data of today, to where the industry will be in five years.

The ID requirements cover exempt and non-exempt EDBs alike. For non-exempt EDBs, any expenditure on systems and processes for capturing and reporting new disclosures is not covered by funding allowances under DPP3. In addition, any expenditure over the allowances set by the Commission is effectively punished by the IRIS.

The Commission providing clearer guidance and direction on existing ID would deliver more in the way of comparability and consistency than introducing new measures.

When it comes to the ID, the devil is in the detail. The sector is keen to work with the Commission to ensure any new or amended reporting requirements are precise, implementable and have robust definitions. Independent audit and director sign-off requirements for IDs set an extremely high bar for accuracy. Ill-defined measures risk putting EDBs in the untenable position of facing qualified or non-compliant audits due to differing interpretations.

ENA's view is documenting forward-looking future network innovation and decarbonisation planning should form part of tranche 2.

5.1. Quality of service

ENA members are committed to delivering their lines services to the level desired by their communities and customers.

Electrification will increase New Zealand's reliance on our members' networks to not just keep the lights on, but also provide 'fuel' for transport, warm and dry homes, and keep the wheels of industry turning. EDBs number one priority is, therefore, ensuring networks can continue to be safe and relied upon

EDBs agree other dimensions of quality are also important to customers, including customer service and customer communication. For most customers, direct interactions with their EDB are rare and typically limited to new connection applications (including DER installation), upgrades and responding to outages.

The more disaggregated reporting becomes, the harder meaningful comparisons can become, and, in turn, the costs to consumers for the collation will increase. An appropriate balance must therefore be struck.

EDBs operate in a complex environment and service delivery can be impacted negatively by a huge range of factors outside their control. These external factors can include vehicles crashes, extreme weather events and customer-caused delays. The Commission should limit any IDs on service quality to reporting on factors that are within EDBs' control.

Customer experience of EDBs service quality is localised and individual and can be influenced by the performance of both HV/MV and low voltage (LV) networks, as well as external factors like third-party interference. Enhancing the visibility of the LV network (and associated analysis) is a very high priority for EDBs in terms of decarbonisation, and is a key priority of the Network Transformation Roadmap. This includes working to overcome technical, cost, data and regulatory challenges.

It is also important to recognise the sheer scale of EDBs' LV networks. In some cases, these LV networks are up to five times larger than their HV/MV networks. EDBs have limited real-time control of LV networks, unlike the MV/HV portion of the network which they control via well-developed SCADA systems.

Therefore any disclosure requirements on the performance of the LV network must recognise the different starting positions of EDBs and focus on developing systems and processes for monitoring and reporting rather than simply relying on automated system-based metrics. The reality is that data on LV network performance will emerge over time as equipment is deployed on the network or obtained from smart meters, which will require EDBs to incur costs. It will be important for ID requirements not to drive investments for the sake of reporting, in advance of need cases being established.

In principle, any manner of reporting on reliability outcomes can be established at increasing levels of disaggregation. However, this all comes at a cost in developing reporting systems, time spent on data capture, and audit. In establishing any new metrics, the Commission should ensure there is a clear, demonstrable and material benefit to stakeholders in making additional information publicly available. Engaging interested parties in developing measures should be an important part of the process, rather than speculating on what interested parties may find useful.

In the following table we comment on specific elements of the Commission's options.

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
Q1	Expand ID requirements related to how much notice of planned outages is given to consumers, including planned outages that are booked but not carried out.	Qualified support	<p>From a customer perspective, outages and outage communication is the single most important indicator of service quality.</p> <p>Any new planned outage disclosure must consider its interactions with other regulatory and contractual instruments including Default Distribution Agreements (DDA), EIEP content requirements, and the existing planned notification incentive.</p>
Q2	Add ID requirements on power quality.	In-principle support for customer experience-based disclosures.	<p>Power quality is a broad term. ENA supports disclosures based on the customer experience of power quality. The disclosures should focus on EDB performance in addressing power quality issues where customers report adverse impacts. ENA notes that the customer impact of power quality is limited EDBs focus their efforts on improving outcomes where the impact on customers is greater i.e. reliability.</p> <p>The systematic measurement and reporting on power quality is difficult given that LV visibility is in its infancy. EDBs are aware of the importance of improving LV visibility, as highlighted in the NTR. However, at present, they cannot systematically assess power quality, therefore any requirement for EDBs to reliably report it is impractical.</p>
Q3	Add ID requirements on time taken to set up new connections.	Qualified support	<p>Connections range in complexity, cost and scale. Time-based metrics on connection performance would necessitate a complex set of clock-stopping arrangements to reflect the time delays that can be caused by third-party delays and the many different parties that feed into the new connections process. Such metrics would also need to be limited to simple, standard connections where a point of supply is available.</p> <p>ENA, therefore, recommends any new connection disclosures focus on customer satisfaction with EDBs' processes (i.e. via a post-connection survey) and exclude pricing considerations.</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
Q4	Add ID requirements on customer service, e.g. customer complaints.	<p>In-principle support for customer service disclosures.</p> <p>Complaint reporting is best dealt with under the UDL framework.</p>	<p>ENA supports customer service disclosures, particularly in relation to measuring customer satisfaction (e.g. a net promoter score).</p> <p>However, it would be inappropriate for the Commission regime to include complaint resolution and reporting as this is subject to legislated oversight.</p>
Q5	Add ID requirements on information about customer charters and guaranteed service-level (customer compensation) schemes, e.g. information about existing schemes and information that could be relevant to such schemes in the future.	<p>Support for limited disclosures on the existence and availability of customer charters.</p>	<p>Many EDBs have voluntarily established customer charters to document and explicitly communicate to customers what they can expect from their EDB.</p> <p>ENA supports simple disclosures on the existence and availability of customer charters.</p> <p>Service-level expectations are a core component of DDAs between EDBs and retailers. The ENA does not support the inclusion of guaranteed service levels within the ID, as these are subject to direct regulatory oversight by the Electricity Authority via the DDA.</p>
Q6	Expand ID requirements on response time to outages.	<p>Not supported</p>	<p>ENA does not support the inclusion of response time in the ID. The ID contains several metrics on EDB performance based on resolving outages (SAIDI and SAIFI) which are more reflective of the level of service delivery by EDBs.</p> <p>Including response time disclosures would not add value to the existing measures which implicitly incorporate response time, and would risk incentivising behaviours that could endanger worker and public safety.</p>
Q7	Expand forward-looking AMP requirements on how EDBs will continue to perform for consumers, e.g. commitments to develop the network for future technology.	<p>Qualified support</p>	<p>EDBs are dedicated to demonstrating and communicating how they will continue to deliver quality electricity distribution services to consumers.</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
			The ENA's NTR sets a path for EDBs to evolve their delivery of services to make the best use of new and evolving technologies. Any forward-looking ID requirements should be aligned with NTR outcomes.
Q8	Add ID requirements on the Momentary Average Interruption Frequency Index (MAIFI) to capture momentary interruptions that can be hidden or misrepresented by existing SAIDI and SAIFI requirements.	Not supported	<p>ENA and its members do not support the introduction of network-wide MAIFI reporting. This would be beset by complexity and deliver limited consumer benefits. There may be limited value in reporting on re-closer MAIFI as many EDBs collect this data.</p> <p>More broadly, the Commission should consider replacing its one-minute interruption threshold with the three-minute threshold adopted by many of its international counterparts. This would allow safe, often-automated power restoration, without putting undue pressure on switching teams or foregoing the potential benefit from automation because power cannot be restored within 60 seconds.</p>
Q9	Add ID requirements for those customers who are worst served on the network in terms of reliability. The Commission had some requirements in this area in the regime that came before Part 4, but questions were raised about the value of the disclosed information in light of the technical challenges producing it. The Commission welcomes feedback from EDBs, in particular, on the feasibility and usefulness of such information.	Qualified support	Any ID reporting on worst-served customers/feeders must be tied to customers' experience and expectations of service. Feeder performance varies greatly between different network types, so any measure of worst-performing feeders must recognise the expected performance of that type of feeder, or of the EDB's targeted performance for the feeder. This would reflect the type, location, geographic topography and number of customers served by a feeder. Reporting this on a consistent basis would be technically challenging and the degree of qualification and the uniqueness of localised customer expectations may ultimately lead to it being of limited value.
Q10	Expand ID requirements to include disaggregated SAIDI and SAIFI by network category (e.g. urban, rural) and region.	Qualified support	ENA supports the reporting of network performance on a more disaggregated basis. However, the Commission will need to give detailed consideration to the definitions and metrics used for any reporting requirements, which are intrinsically

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
			complicated. We propose the Commission collaborate with EDBs to develop appropriate, practical measures.
Q11	Refine ID requirements on interruptions by clarifying definitions to ensure successive interruptions are recorded consistently.	Strongly support	<p>ENA would welcome further clarification and guidance on the treatment of successive interruptions.</p> <p>The Commission should also provide guidance on and consider the downstream impacts of a change in methodology, including the restatement of past data.</p>
Q12	Refine ID requirements or add guidance on assigning interruptions to cause categories.	Strongly support	<p>ENA would welcome further clarification and guidance on assigning interruptions to cause categories.</p> <p>The Commission should also provide guidance on and consider the downstream impacts of a change in methodology, including the restatement of past data.</p> <p>Existing DPP exemptions should remain in place.</p>
Q13	Refine ID requirements on third-party interference interruptions by breaking these down into more specific categories, such as vehicle damage, 'dig in', overhead contact and vandalism.	Qualified support	<p>There is some value in the disaggregated reporting on third-party interferences. However, this must add value in delivering Part 4 objectives to consumers. It is unclear whether there is value in publicly reporting at a disaggregated level. EDBs will collect information on outage causes for internal management purposes in identifying issues and trends, but surfacing this publicly has unclear benefit.</p>
Q14	Expand ID requirements to include some raw outage data, which is currently only provided to the Commission by non-exempt EDBs in advance of price-quality path resets.	Not supported	<p>The Commission should demonstrate that expanding these requirements would be of benefit in delivering the objectives of Section 52A(1) and that they would justify the additional burden placed on customer-owned EDBs.</p>

5.2. Decarbonisation

ENA supports the Commission's focus on decarbonisation. EDBs are fully committed to New Zealand's decarbonisation efforts and see themselves as a vital enabler of the further electrification of the economy.

Decarbonisation will require a shift from the just-in-time delivery of infrastructure to meet electricity demand, to investing ahead of time to facilitate or even stimulate electrification.

EDBs are aware of the potential for electrification to change the way their networks are used, operated and maintained, they are investing in developing an understanding of the true scale and timing of these changes. In light of current uncertainty, EDBs are taking least regrets actions today to prepare for what lies ahead.

The impact of network usage changes will be felt differently by EDBs around the motu because of the unique economic, industrial, geographic and meteorological characteristics of their service areas.

In some areas, the impact of electrification and DER will occur in the HV/MV components of their networks as a result of the connection of large, distributed generation and process-heat conversions. Others will see the impact more acutely on their LV networks due to uptake of EVs and rooftop solar, and residential gas conversions. Some EDBs may see all these impacts arise in unison.

The LV impacts of decarbonisation are unlikely to manifest overnight. This is fortunate as LV visibility is a key area where EDBs are looking to improve from a low starting point. Access to smart meter data on power quality will be a great leap forward for EDBs' understanding of the performance characteristics of their LV networks.

To date, structural, regulatory, contractual and cost barriers have prevented the majority of EDBs from obtaining ongoing access to LV data from smart meters. While these barriers to LV visibility are being worked through, the ID regime must reflect that LV data is in its development phase through mechanisms such as data quality scores, and exclusions from audit requirements.

ENA's IDWG has identified potential improvements to schedule 12B of the ID to better capture potential network constraints.

ENA and its members support the Commission's goal of improving the public disclosure of EDBs' commitment to innovation and facilitating decarbonisation. AMPs are a key vehicle for EDBs to communicate their asset stewardship and operational frameworks. The Commission should therefore consider what is the appropriate vehicle for reporting on decarbonisation and innovation.

In the following table we comment on specific elements of the Commission's options.

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
D1	<p>The range of changes that could be made to ID for EDBs to provide more information on their LV networks fall along a spectrum. At the more prescriptive end of the spectrum, there could be a requirement for EDBs to provide detailed and potentially much more frequent information about metrics of their LV network, such as those on capacity and power quality. A less prescriptive approach would be for EDBs to disclose their plans to develop and improve their LV network practices. This would be similar to the approach adopted for Aurora. The Commission welcomes feedback from stakeholders on the appropriate approach to take.</p>	<p>In principle support</p>	<p>LV visibility is a foundation of the NTR. ENA is supportive of ID reporting on LV networks that develops and evolves in line with the maturity of the sector and that is tied to the NTR.</p> <p>The ENA view is that, at this time, any disclosures should focus on reporting by EDBs on how they are preparing, planning and investing for a future where LV visibility is widespread and robust. Tranche 2 is the earliest any reporting should be considered.</p> <p>To get to this position, funding under the DPP regime must become available, data quality issues will need to be overcome, and audit requirements need to be proportionate to the state of information available. This includes a move to a 'limited assurance' approach to audit.</p> <p>A more prescriptive approach in the short term would likely be counter-productive and force EDBs to make investments in LV monitoring and other capabilities that do not currently make economic sense (e.g. in light of low DER penetration). Such an approach may be appropriate in the longer term once networks have transformed.</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
D2	<p>There are various approaches that could be used to require EDBs to report more consistently and provide greater transparency, which would allow stakeholders to better understand the magnitude and effect of new large electricity loads on EDBs' networks. One example of this would be a requirement for an EDB to identify and report on the top 10 fossil-fuel loads in their area that could convert to electricity and the effect on their network and how they were preparing. Alternatively, a threshold (either absolute or proportional) could be introduced which required EDBs to report this information on new loads above a certain size.</p>	<p>Support</p>	<p>ENA supports the inclusion in the ID reporting on potential new/increased large loads as a result of electrification. Much of this information will already come through AMPs as it affects network development plans to serve new loads.</p> <p>There are several key issues the Commission needs to take into account when considering their introduction, including the use of best endeavours estimates, dealing with commercial-in-confidence information (which is likely to be a significant constraint on reporting), the aggregation of projects/programmes, and the potential use of confidence ratings.</p> <p>The ENA is of the view that a MW threshold would be more appropriate than a top 10 loads.</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
D3	<p>We want stakeholders to be better able to understand the current and likely future constraints on EDB networks. This includes helping those providing new technology or services to be able to plan to compete to offer a solution to the constraints and helping those planning to connect to the system to choose where to locate. There is a spectrum of options, from simply requiring EDBs to report on their plans and progress and different scenarios in this area, to more prescriptive approaches that could require EDBs to provide information on current and expected constraints in a standardised (geo-spatial) format. The Commission wants to understand how ID can help facilitate a shift to national-level reporting of constraints with an approach that does not impose an unnecessary regulatory burden on EDBs. For example, would simply expanding the requirements so that they apply to all EDBs be sufficient or do the existing requirements not capture all of the information necessary</p>	Support	<p>For full details, see the ENA information disclosure working group's recommendation on the reform of schedule 12B and the use of heat maps (Appendix A).</p>
D4	<p>There are various options, but one approach might be to require EDBs to specifically report their innovations practices in a stand-alone way in terms of: (a) what measures are EDBs taking that are innovative; (b) why are they innovative; (c) what EDBs are trying to achieve by carrying out the particular innovation; and (d) how EDBs are measuring their success.</p>	Qualified support	<p>The ENA is supportive of its members reporting on their innovative practices. As noted above, there needs to be an ongoing discussion with the Commission on the best form, venue and timing of this reporting. As such, the ENA recommends any reporting requirements not be considered in tranche 1. A general definition of what is considered 'innovative' could also be problematic.</p> <p>The ENA suggests this reporting include commentary on case studies and/or innovation activity including trials, where available, undertaken by EDBs and the learnings from those.</p> <p>The complexity and ex-post nature of the existing innovation project allowance dissuades EDBs from using it. This highlights the need for a more meaningful</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
			mechanism to promote innovation within the Commission's broader regulatory regime.
D5	Require information on the investigations undertaken and investment into flexibility resources.	Not supported — regulatory overlap must be resolved	The Electricity Authority is actively investigating the regulatory setting for distribution businesses with respect to flexibility services. This will need to be finalised in advance of the introduction of any ID requirements. Therefore this ID requirement should not be considered until tranche 2.
D6	Refine current requirements by providing standardised price components and/or price categories that EDBs can record revenue against in addition to a free field for revenue that does not fit one of the standardised categories or components.	Not supporting- regulatory overlap must be resolved	It is not clear what problem this would attempt to solve, or what issues are created by current reporting in schedule 8 of the disclosures. ENA is concerned the introduction of standardised price components into the IDs risk regulatory overlap with the Electricity Authority's oversight of distribution pricing. If these issues of regulatory overlap were to be overcome, the requirements must also demonstrate they meet the purpose of the ID (Section 52A(1)) and do not stifle innovation.

ENA recommends Commission assist reporting on key drivers of decarbonisation and future networks

Decarbonisation and the transformation of networks to support the needs of consumers will require EDBs to make informed decisions about their investment in and operation of their networks. The ENA's ID working group has identified three areas where the Commission can assist EDBs to access useful practical information.

	Issue	Impact	Recommendation
Disclosure of DER/flexibility information	Customers are connecting distributed energy resources and will want to participate in the energy market.	Customers need better information about the distribution system to help inform their investment decisions.	ENA recommends the Commission works with the Electricity Authority to encourage them to disclose insight reports on DER connection by EDBs using information available on the registry. This could then evolve as the recording of this information matures with registry development. For instance, currently many of the new fuel types have to be categorised as 'other'. Explaining the options for recording would provide better insights reports by the Authority.

			<p>This information could include information on</p> <ul style="list-style-type: none"> • Fuel type • Number Connected (year ending 31 March) • Capacity kW (for energy storage devices both storage capacity (kWh) and charge/discharge rate (kW)) • Total connected kW of this type. <p>Fuel type would be expanded to include the following:</p> <ul style="list-style-type: none"> • liquid fuel • natural gas • fresh water • wind • solar • battery • hybrid.
Investment from EVs	EVs have been identified as a primary way that New Zealand can decarbonise. Access to LV and consumer behaviour data on this part of our network is limited.	EV management will be critical to avoid excessive infrastructure investment by EDBs because of new or increased peaks developing from charging activity.	<p>ENA recommends that the Commission supports the sector to obtain appropriate information on EV penetration in their networks. If this was available to EDBs, they could use this information to overlay utilisation and congestion maps and, in time, provide additional schedule information, for example:</p> <ul style="list-style-type: none"> • location, number and size of EVs connected (year ending March) and total on the network • location, number and size of EV-charging devices connected (year ending March) and total on the network.
Future network roadmaps	The energy sector is going through a period of change driven by decarbonisation and electrification of transport and process heat, and connection of distributed energy resources.	EDBs need to adapt, provide services quickly, and evolve their distribution infrastructure to provide flexibility and two-way flows of electricity.	ENA recommends that the Commission updates the AMP content requirements to include commentary on future network initiatives that relate to the implementation of an EDBs' network transformation roadmap.

5.3. Asset management

EDBs rightfully pride themselves on the stewardship of their assets and ensuring their service delivery provides long-term benefits to the communities they serve.

EDBs are planning and investing to ensure their assets are maintained and replaced as appropriate. This includes using innovative and non-wire solutions where they are in the long-term interest of consumers.

As highlighted in the ENA's recent letter to the Commission,³ EDBs continue to demonstrate how they are evolving their asset management practices to achieve and, in many cases, establish the benchmark for best practice. The results of this are shown in improved AMMAT scores of EDBs.

Climate change is expected to result in increased frequency and intensity of extreme weather events. This and the increased reliance on electricity for transport, process heat and space heating will make network resilience a key indicator of EDB performance.

The EEA Resilience Guide represents industry best practice on network resilience. Any ID requirements should be based on this guide and EEA Resilience assessment tools.

One area where the ID should be amended to better reflect best practice in asset management is the categorisation of operational expenditure (opex). The existing opex categories do not reflect modern risk and condition-based asset management practices. The ENA, via its IDWG, has proposed an overhaul of the ID opex definitions to reflect this best practice (see appendix A).

In the following table we comment on specific elements of the Commission's options.

³ [ENA-letter-in-response-to-Commission-review-of-asset-management-reporting-practices-by-EDBs](#)

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
AM1	Possible improvements to improve the specificity of asset age data disclosed under ID include: finding an appropriate way to report what is currently designated as 'unknown' in the asset age category; and splitting out asset age data at a level that is more granular than by decade for assets installed before 2000.	Not support	ENA does not support the proposal to require greater disaggregation of historical asset lives. The data required to meet this requirement doesn't exist within many EDBs' systems. The value added from the re-creation of historic asset age data doesn't go close to justifying the resources required to generate it.
AM2	Identifying cost categories with known or observable relationships to other data that can enable better understanding of the efficiency of EDBs' expenditure plans. Unit costs are one basic approach the Commission might explore, including: capex unit costs e.g. asset replacement cost per unit (poles, conductors, transformers etc); and opex unit costs e.g. vegetation management expenditure/per km cut.	Not support	Simplistic unit cost comparisons of the type suggested can provide misleading results, as the environment in which assets are installed varies greatly. This has a major impact on installation costs. Data comparability would be limited, and the measures would not reflect even the simplest of network differences. If any measures were to be developed to enable comparison between EDBs it would be critical to ensure definitions are well-described, unit costs measured at appropriate levels to enable meaningful comparisons (e.g. pole replacement in an urban area with traffic management requirements has substantially different costs to a pole replacement outside a road corridor). Significant work would need to be put into identifying where such unit rate comparisons have been used successfully
AM3	There is a wide spectrum of information that may be useful to stakeholders as well as various options for presentation in terms of format and location within the AMP. We are seeking feedback from stakeholders on the key information that stakeholders would like to be most accessible and the most useful manner it can be presented within an AMP. One approach to receiving this feedback may be through a user group forum to inform areas of interest.	Qualified support	The industry is collaborating through the ENA and other forums to improve their AMPs to ensure they deliver relevant and useful information. ENA supports the Commission's current spotlighting approach which highlights good practice in AMP reporting. While EDBs welcome feedback from stakeholders on what information that would be useful and presented in the AMPs, it is important that EDBs retain freedom to discuss the stewardship of their assets and format their AMPs in a way that reflects the needs of their community and their commitment to delivering quality distribution services to their community.

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
AM4	<p>Improved reporting on the resilience and contingency planning of an EDB's network could be enabled through ID changes, which the Commission notes would consequently support the work of the EA and other stakeholders.</p> <p>The Commission is seeking feedback on how disclosure requirements could capture more comprehensive information on resilience and contingency planning.</p>	Support	<p>ENA recommends the Commission include in the ID an EDB self-assessment of its asset management maturity with respect to network resilience using the 'Resilience Management Maturity Assessment Tool' contained in the EEA's Resilience Guide.</p>
AM5	<p>Require a summary report of each significant storm event. This could be informed by internal reporting and recording that could include the following: wind speed and wind direction data; and whether the wind speed actually exceeded the design tolerances of the network.</p> <p>The Commission is seeking further feedback on this from stakeholders to achieve a cost-effective solution that is useful to stakeholders.</p>	Do not support	<p>Non-exempt EDBs are required to provide detailed reporting of major and extreme event-day outages. This proposed additional reporting requirement would not add any value beyond the existing reporting requirements and would increase the administrative and cost burden to prepare investigation reports for public consumption rather than internal review purposes.</p> <p>ENA also notes the impact of out-of-zone vegetation is far in excess of the impact of equipment failures due to design tolerances being exceeded during storm events. Wind speed is also measured at defined locations, so it is speculative as to if wind speeds at the point of failure exceed the design standard.</p>
AM6	<p>Potential changes to the definition of 'overhead circuit requiring vegetation management' so that it is based upon a maximum distance between vegetation and an overhead circuit.</p> <p>The Commission welcomes feedback on what this distance should be or how else it can be consistently defined in the ID determination.</p>	<p>Support clarifying the existing metric.</p> <p>Use of distance from line metric is not supported.</p>	<p>The ENA supports the clarification of the definition of 'overhead circuit requiring vegetation management'. The lack of a precise definition has resulted in EDBs adopting a range of reporting approaches. This disparity prevents the use of existing data for any sort of comparative analysis.</p> <p>The use of the distance between vegetation and an overhead circuit as the metric is not supported, as the distance is quickly out of date and would require extensive surveying costs.</p>

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
AM7	Potential changes to the lifecycle asset management planning provisions to: (a) include vegetation management-related maintenance; and (b) include sufficient detail on the assumptions, modelling and economic justifications underpinning the relevant policies, programmes, actions and expenditure projections of each asset category.	Do not support	<p>Asset planning and management is at the heart of what EDBs do on a day-to-day basis. The proposal would see the Commission actively inserting itself into EDBs' asset planning and management practices. This is not consistent with the 'light-handed' ID framework. Such involvement would only be justified as part of a CPP process.</p> <p>AMPs can be useful in providing a high-level summary of EDBs' lifecycle asset management planning. The proposal goes far beyond this.</p> <p>The ID framework already contains a range of measures of the output from EDBs' lifecycle asset management planning, including SAIDI and SAFI. These output measures are appropriate for the ID regime.</p>
AM8	Potential changes to the lifecycle asset management planning provisions to: (a) include the processes and systems used to gather and verify the data used to forecast asset replacement and renewal projects and programmes; and (b) provide sufficient detail on the assumptions, modelling, and consideration of non-network alternatives underpinning the methodology used by the EDB to determine the forecast expenditure within the AMP planning period.	Do not support	<p>The proposal would see the Commission actively inserting itself into EDBs' asset planning and management practices. This is not consistent with the light-handed ID framework. Such involvement would only be justified as part of a CPP process.</p> <p>The ID framework already contains a range of measures related to the outcomes from lifecycle asset management planning, including SAIDI and SAFI. These output measures are appropriate for the ID regime.</p> <p>AMPs can be used to provide a high-level summary of EDBs' lifecycle asset management planning. The proposal goes far beyond this.</p>
AM9	The Commission welcomes further stakeholder feedback on whether it may be beneficial if EDBs were to disclose an explanation and exploration of scenarios, in addition to providing a single point forecast in their forecasting schedules, and if so, in which areas and format would this be most useful.	In-principle support	EDBs are planning for the future, now more than ever. This forward-looking, scenario-based approach to planning is highlighted in the ENA's NTR. This planning involves the consideration of various growth and technology scenarios. However, the introduction of an ID requirement to publish detailed expenditure forecasts on each scenario is not supported.

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
AM10	Change the relevant provisions so that stakeholders can understand the number of forecast disconnections on an EDB's network.	Qualified support	ENA supports clarifying the definition of connections and believes there may be some value in the reporting of forecast permanent disconnections. However, as with any new reporting requirement, it must demonstratively meet the objectives of Part 4 and balance these against the resource burden it imposes.
AM11	Potential changes to enable ID data to better inform stakeholders understanding of EDBs' expenditure proposals. Capex forecasts (particularly in the context of decarbonisation and technological change).	In-principle support	<p>ENA would like further detail of what the Commission has in mind under this proposal. This reporting would require subjectivity in delineating expenditure that is driven by decarbonisation and technological change and that which is driven by normal organic growth.</p> <p>Any reporting should only be considered as part of tranche 2.</p>
New	EDBs are subject to new and changing opex costs. Cybersecurity is one such significant cost.	ENA proposed	<p>ENA recommends that Schedule 6b(ii) be updated to include a separate line item to record EDBs' cybersecurity costs, much like insurance is a current separate line item.</p> <p>ENA also recommends that Schedule 11b (subcomponents of operational expenditure section) be updated to include a separate line item to record EDBs' cybersecurity forecasts.</p> <p>We recommend a definition of cybersecurity be included in the IDs. We suggest the following definition:</p> <p><i>Cybersecurity is the application of technologies, processes and controls to protect systems, networks, programmes, devices and data from cyber attacks. It aims to reduce the risk of cyber attacks and protect against the unauthorised exploitation of systems, networks and technologies.</i>⁴</p>

⁴ Source: National Cyber Security Centre (NCSC) (The NCSC role is to help New Zealand's most significant public and private sector organisations to protect their information systems from advanced cyber-borne threats.

5.4. Aligning ID with other regulatory rules

Since the last review of the ID, there has been a DPP, three CPPs and an IM review. These have resulted in amendments to the IDs, Aurora's CPP being the most recent example. A thorough clean-up of the ID is required to ensure the ID and published schedules reflect current regulatory rules.

In the following table we comment on specific elements of the Commission's options.

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
A1	Changes proposed to the relevant clauses to ensure consistency of definitions of 'recoverable costs' and 'pass through costs'.	Support	<p>ENA supports the change to the definitions to achieve consistency. This should form part of tranche 1.</p> <p>The need for change highlights the issues that arise when the branches of the Commission's regulatory regimes (ID, IM, DPP and CPP) are not reviewed for alignment.</p>
A2	As part of this change, the Commission will consider whether to amend the definition of 'asset or assets with changes to depreciation'.	Qualified Support	While the ENA supports the clarification of these definitions, more information is needed to understand the problem the Commission seeks to address and the mechanism for its resolution.
New	<p>Schedule 10</p> <p>The methodology for normalising unplanned interruptions for reporting in Schedule 10 is misaligned with the methodology for normalising unplanned interruptions within the price-quality framework.</p>	ENA proposed	<p>ENA members recommend that the Commission:</p> <p>(a) specify the same unplanned normalisation methodology for both ID, including attachment B and price-quality path compliance assessment</p> <p>(b) limit the major event day/major event calculations for unplanned SAIDI/SAIFI to just one set, instead of having two different sets for price quality and ID determination containing different boundary values</p> <p>(c) ID uses 2004–2009 to set boundary values. This is out of date. To align we suggest this data be updated every five years when new boundary values are set for non-exempt EDBs under the price-quality path resets.</p>
New	<p>Lease treatments</p> <p>Schedule 6(a)(i) and Schedule 4(iv)</p>	ENA proposed	The inclusion of IFRS16 leases creates an anomaly between the capital expenditure in row 20 of schedule 6(a)(i) and the roll

No.	Commission's potential options to achieve outcomes	ENA position	ENA comments
			forward of works under construction in row 70 of schedules 4(iv).

5.5. Other changes to IDs

ENA and its IDWG have carried out a comprehensive review of ID and have identified a series of changes required to remove inconsistencies and improve comparability. These changes will help the IDs deliver on the Part 4 objectives without unnecessary burden on EDBs. The IDWG's full recommendation report (appendix A) sets out more detail on these changes.

Reference	Issue	Recommendation	Tranche
Definition of 'subnetwork' and reporting of schedules 9a, 9b, 9c, 9e and 10 by subnetwork	There is a disconnect between the ID Determination and the Commission's 2012 final decision paper relating to the ID Determination. The Commission has recently expressed the view the commentary contained in clause 7.3 of the final decision paper means that, if different prices are applied across different regions, this constitutes a non-contiguous network.	The ENA recommends the Commission: <ul style="list-style-type: none"> (a) clarify in the ID Determination the definition of 'subnetwork'; (b) remove the requirement to report Schedules 9a, 9b, 9c and 9e by subnetwork where those subnetworks are contiguous and have the same owner, irrespective of whether different prices are applied by the EDB. 	Tranche 1
Schedule 5a Calculation of deferred tax balance	EDB input methodology clause 2.3.7 (1)(c) <p>"in respect of each disclosure year after the disclosure year 2010, for assets for which there is no regulatory tax asset value, the opening deferred tax balance under GAAP for those assets at the date when those assets were first commissioned."</p> <p>In relation to the above clause, the adjustment is required to be included in regulatory deferred tax at the date the asset is commissioned and affects the closing deferred tax balance for that year.</p> <p>Schedule 5a (vi): Calculation of deferred tax balance has no specific box where this adjustment can be included.</p> <p>Currently we are adjusting the opening deferred tax balance for the following year to comply with clause 2.3.7 (1)(c).</p>	The ENA recommends the Commission amends Schedule 5a to include a specific box in the calculation of deferred tax for adjustment arising from clause 2.3.7(1)(c).	Tranche 1
Schedule 3(iii) — IRIS	The Incremental Rolling Incentive Scheme (IRIS) is based on the previous IMs IRIS disclosure.	The ENA recommends: <ul style="list-style-type: none"> (a) updating ID Schedule 2(i) and 2(v) to include the IRIS amount which aligns with current IRIS Input Methodologies, and 	Tranche 1

		<p>(b) removing the IRIS calculation in Schedule 3(iii) as it is no longer relevant, and the detailed calculation is provided in the Annual Compliance Statement.</p> <p>EDBs are also seeking clarification on how operating leases (IFRS60 adoption timing) should be treated and whether adjustments are needed.</p>	
Clause 2.4.19(2)(b)	The requirement to publish pricing notifications in two separate editions of the local newspaper is outdated, inefficient and costly.	<p>The ENA recommends this requirement be removed so that EDBs are required only to publicly disclose the information in clause 2.4.18.</p> <p>Rather than helping consumers understand their bills, publication of network charges in newspapers leads to confusion. This is because retailers are ultimately the entities that bundle network charges into their retail prices. We do not see consumers using information published in newspapers to understand their retail bills. Instead, it leads to confusion about why the numbers are different from their electricity retail bills.</p>	Tranche 1
Clause 2.4.9–2.4.17	Clauses 2.4.9-2.4.17 requires publishing information in relation to part (a) of the definition of prescribed contract in the information disclosure determination. That is “(a) a contract under which the EDB supplies electricity lines services; ”	The ENA recommends removing part (a) from the definition of prescribed contract.	Tranche 1
Schedule 3	Better alignment needed between DPP measures and ID.	The ENA recommends aligning profit reporting to include DPP measures where relevant (e.g. IRIS, QoS, capex wash-ups, wash-ups).	Tranche 1
Clause 2.4.9–2.4.17	Clauses 2.4.9-2.4.17 requires publishing of information in relation to part (a) of the definition of prescribed contract in the information disclosure determination. That is “(a) a contract under which the EDB supplies electricity lines services; ”	The ENA recommends removing part (a) from the definition of prescribed contract.	Tranche 1
Schedule 9d — embedded networks	Lack of clarity on the basis for the number reported.	Suggest re-labelling the reporting requirement as average number of ICPs served over the year.	Tranche 1

Schedule 13/AMP	The level of EDB asset management maturity is not easily ascertained by stakeholders and third parties. A better outcome and communication would be to retain high-level summary reporting in the body of the AMP, along with any actions being taken to address gaps.	Remove requirement for Schedule 13 AMMAT. Instead, focus on a requirement for exception reporting by requiring EDBs to provide high-level summary reporting using a graph or table, e.g. a spiderweb graph, in the body of the AMP, along with commentary on actions being taken to address gaps.	Tranche 2
AMP — Attachment A clause 12.2.3 maintenance activities	Reactive and corrective maintenance and inspection can be difficult to forecast at a granular level and reactive maintenance can cut across ID categories.	Refer suggested opex definitions proposal (see Appendix II — Opex definitions proposal) and, if adopted, update attachment A, clause 12.2.3 to align with this proposal.	Tranche 1
AMP — Attachment A clause 3.8	Requirement is for all significant assumptions with detailed subclause requirements.	The ENA membership recommends limiting the requirement to 'assumptions that led to material uncertainty' or similar.	Tranche 2

6. Contact

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Appendix A – ENA Information Disclosure Working Group Final Report

ENA recommendations for improved information disclosure provisions for electricity distribution businesses

March 2022

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Executive Summary

The ENA membership includes electricity distribution businesses subject to information disclosure under Part 4 of the Commerce Act. The membership formed an information disclosure working group to review the effectiveness and consistency of information disclosure requirements. The working group consulted with and received feedback from members on areas of concern and issues with information disclosure, and followed up with surveys to gather additional details where necessary.

In this report we propose recommendations for changes to the information disclosure regime including for existing information disclosure eleven high priority recommendations and six medium priority recommendations, and in addition four new decarbonisation/future network recommendations.

Where recommendations include a detailed proposal, these have been consulted on with the membership and received membership endorsement.

Introduction

The Commerce Commission's (Commission) Information Disclosure (ID) Review for EDB's was expected to begin in 2021 shortly followed by a review of the Input Methodologies (IMs). In early 2021, the Regulatory Working Group (RWG) of ENA formed two work groups in preparation for the ID review. One work group considered information disclosure more broadly (ID working group) while the other focussed on quality of service issues (QoS working group). The purpose of the working groups is to assist EDB's to identify and prioritise issues that exist with the current ID requirements, and to identify and propose any new ID requirements that will be beneficial for stakeholders and to inform future resets.

This report relates to the findings and recommendations from the ID working group. These findings and recommendations are informed by input from the ENA membership (membership) along with review and consideration of information disclosure in other jurisdictions. In existing ID, the membership has identified areas of inconsistency, areas of poorly specified or outdated ID, and areas where additional information would be beneficial given the changing environment in which we are operating. The membership has also considered what is happening with ID in other jurisdictions and what has shifted in our current environment that might impact ID. This has included consideration of areas where information asymmetry should be removed to support transparency with the Commission and context for investments we might propose in our Asset Management Plans (AMPs). Finally, there has been consideration for the role of ID reporting in respect of decarbonisation, sustainability and innovation.

Ultimately, the purpose of this work is to ensure that the ID regime is fit for purpose over time and that the membership is suitably prepared to contribute to the scope of the ID review and the potential outcomes from it.

On the 23rd February 2022, the Commission issued a notice of intent to launch the statutory review of the input methodologies (IMs) and a targeted review of information disclosure (ID) requirements for electricity distributors. For the ID Review, the Commission will take a staged approach beginning in March/April 2022. The themes will cover:

- measures of quality
- decarbonisation
- asset management and
- alignment of ID with other regulatory rules

The Commission have indicated that the highest priority changes will take place for the next disclosure year, if practicable.

Commission Focus Areas

This report takes into consideration the focus areas indicated by the Commission in its December 2020 Levy Consultation. The six areas of focus signalled were:

- innovation,
- investment (asset and risk management),
- quality (reliability/resilience),
- pricing (affordability),
- profitability,
- efficiency.

The Commission shared the following comments which we have framed in respect of the energy trilemma.

Trilemma Element	Focus Area	Comments
Equity	Limit profitability, and pricing	
Equity	Incentivise efficiency	There is not enough evidence of expenditure and network business efficiency. More comparisons should be undertaken by EDBs of their expenditure efficiency
Security/Equity	Quality and investment	Looking for more on asset stewardship. Wants broader quality measures – more meaningful to customers
Security/sustainability	Innovation and risks	New markets (emerging contestable markets). Focus for Commission is on avoiding consumers paying for assets that deliver no benefit
Sustainability	Sustainability and decarbonisation	

Our approach to this review

In early 2021, ENA formed a working group, comprising representative of the ENA members shown below, to review information disclosure in anticipation of the Commission's ID review. The terms of reference for the group are provided in Appendix I.

Company			
Orion	Wellington Electricity	Top Energy	Network Tasman
ENA	PowerCo	Alpine	Marlborough Lines
PWC	Aurora	PowerCo	The Lines Company
Vector	PowerNet	Northpower	

Initial conclusions from the February 2021 meeting were to:

- make sure we get the corrections and improvements we need to what is already in place
- identify any disclosure no longer adding value and explain why
- only propose a targeted and limited number of new disclosures aligned with the Commission's focus areas and signalled targeted approach - we will need to prioritise.

Our approach has been to seek feedback from the working group and the membership on:

- areas for improvement of the information disclosures
- aspects of information disclosure that no longer add value
- possible new areas of information disclosure.

In addition, an independent consultant's report was commissioned to examine what future network measures are contained in the regulatory regimes of international jurisdictions.

Purpose of Information Disclosure (ID)

The purpose of ID is to ensure that sufficient information is readily available to interested persons to assess whether the Part 4 purpose is being met.

The Part 4 purpose is contained in Section 52A of the Commerce Act and is stated here for completeness;

52A Purpose of Part

(1) The purpose of this Part is to promote the long-term benefit of consumers in markets referred to in [section 52](#) by promoting outcomes that are consistent with outcomes produced in competitive markets such that suppliers of regulated goods or services—

(a) have incentives to innovate and to invest, including in replacement, upgraded, and new assets; and

(b) have incentives to improve efficiency and provide services at a quality that reflects consumer demands; and

(c) share with consumers the benefits of efficiency gains in the supply of the regulated goods or services, including through lower prices; and

(d) are limited in their ability to extract excessive profits.

(2) In this Part, the purpose set out in subsection (1) applies in place of the purpose set out in [section 1A](#).

When considering the recommendations outlined in this report, the ID working group has kept this purpose front of mind.

Recommendations for Improving Existing ID

Our recommendations represent high and medium priority changes that the ENA membership considers important to improve and enhance information disclosure. In some instances, recommendations may result in inconsistency or lack of comparability between historic reporting and future reporting. We believe these changes are prudent to ensure the value of the information into the future given the energy transition that is occurring. We believe the changes are in the long-term interests of meeting the requirements of Part 4.

This report does not contemplate measures of quality of service including customer service. They will be covered by the ENA Quality of Service working group.

High Priority Changes

Reference	Issue	Impact	Recommendation
Schedule 10	The methodology for normalising unplanned interruptions for reporting in Schedule 10 is misaligned with the methodology for normalising unplanned interruptions within the price-quality framework	There is inconsistency between ID and price-quality path compliance, increasing the disclosure burden and creating an avenue for misinterpretation.	The ENA membership recommends that the Commission: <ul style="list-style-type: none"> (a) specify the same unplanned normalisation methodology for both ID including attachment B and price-quality path compliance assessment, (b) limit the major event day/major event calculations for unplanned SAIDI/SAIFI to just one set – instead of having two different sets for price-quality and ID Determination containing different boundary values, and (c) ID uses 2004-09 to set boundary values and this is out of date. To align we suggest this to be updated every 5-years when new boundary values are set for non-exempt EDBs under the price-quality path resets. Note: drafting would need to ensure that there are no unintended consequences for exempt EDBs.

<p>Opex Definitions</p>	<p>The current opex definitions are no longer fit for purpose</p> <p>Current categories are:</p> <ul style="list-style-type: none"> • Service interruptions and emergencies, • Routine and corrective, maintenance and inspection, • Asset replacement and renewal • Vegetation management 	<p>The current definitions do not reflect current asset management practice in New Zealand. In addition, they create inconsistency in application making comparative review between EDBs less reliable.</p>	<p>The ENA membership recommends that the Commission consider updating the opex definitions to reflect current asset management practice. This would mean moving to opex descriptors of preventative maintenance, corrective maintenance, reactive maintenance, and vegetation management.</p> <table border="1" data-bbox="1451 483 2063 805"> <thead> <tr> <th>Current category</th> <th>New Category(ies)</th> </tr> </thead> <tbody> <tr> <td>Service interruptions and emergencies</td> <td>reactive maintenance</td> </tr> <tr> <td>Routine and corrective maintenance and inspection</td> <td>“preventive maintenance”; and “corrective maintenance”.</td> </tr> <tr> <td>Asset replacement and renewal</td> <td>Remove; Would be encompassed either within “corrective maintenance” or would be capitalised.</td> </tr> <tr> <td>Vegetation management</td> <td>Vegetation management</td> </tr> </tbody> </table> <p>See Appendix II- Opex Definitions Proposal for a detailed proposal and recommendations from the ENA membership.</p>	Current category	New Category(ies)	Service interruptions and emergencies	reactive maintenance	Routine and corrective maintenance and inspection	“preventive maintenance”; and “corrective maintenance”.	Asset replacement and renewal	Remove; Would be encompassed either within “corrective maintenance” or would be capitalised.	Vegetation management	Vegetation management
Current category	New Category(ies)												
Service interruptions and emergencies	reactive maintenance												
Routine and corrective maintenance and inspection	“preventive maintenance”; and “corrective maintenance”.												
Asset replacement and renewal	Remove; Would be encompassed either within “corrective maintenance” or would be capitalised.												
Vegetation management	Vegetation management												
<p>Schedule 5b (and clauses 2.3.8-2.3.18) Related Party <i>In accordance with clauses 2.3.8 – 2.3.18 of the Electricity Distribution Information Disclosure Determination 2012.</i></p>	<p>Additional related party requirements beyond Schedule 5b are still relatively new, having been introduced and first reported on as part of information disclosures for the year ending March 2019.</p>	<p>The reporting burden on EDBs has increased. Collation of related-party disclosure is complex and has a high compliance cost in terms of employee time along with external advice and audit cost.</p>	<p>The ENA membership recommends that the Commission:</p> <ul style="list-style-type: none"> (a) carry out a post implementation review of related party requirements to ensure they are right-sized and fit for purpose and (b) clarify director fees are not part of related party (5(b)(iii)) <p>Also refer to complimentary Schedule 12b proposal.</p>										

<p>Section 2.3.13-2.3.16 Map of anticipated network expenditure and network constraints</p>	<p>The inclusion of the heatmap requirements for network constraints seems to be misplaced within the related party requirements (see <i>Section 2.3.13-2.3.16 Map of anticipated network expenditure and network constraints</i> below) Given decarbonisation this ID should be for all EDBs</p>	<p>Future constraints are important information for third parties and should be provided by all EDBs</p>	<p>The ENA membership recommends that the Commission: (a) delink the network constraint map requirements from the related party criteria and require this as a standalone ID requirement for all EDBs</p>
<p>Schedule 12B – Forecast capacity</p>	<p>Definitions of firm capacity and transfer capacity are still subject to some interpretation and don't fully align to how we undertake our planning. As we introduce more probabilistic planning we will further diverge from this approach to planning.</p>	<p>The existing definitions are subject to interpretation. EDBs are likely applying different approaches to schedule 12b – this means results may not be comparable.</p> <p>The schedules deterministic (N-1) type of Utilisation or Security metrics don't correlate well with Probabilistic approaches (risk and value-based planning) being adopted by some EDBs.</p> <p>The schedule focuses on firm capacity and does not consider factors EDBs take into account in managing risk of potential overloads and supply interruptions.</p>	<p>The membership recommends that the Commission update Schedule 12b to better reflect current engineering planning practice.</p> <p>See Appendix III- Schedule 12b Proposal for a detailed proposal. The ENA membership when canvassed support adoption of the amended Schedule format</p>

Lease Treatments Schedule 6(a)(i) and Schedule 4(iv)	The inclusion of IFRS16-leases creates an anomaly between the capital expenditure in row 20 of schedule 6(a)(i) and the roll forward of works under construction in row 70 of schedules 4(iv).	<p>Example of impact</p> <p>The EDB may have new leases with \$100k of annual expenditure that now qualify as Right-Of-Use Assets (ROU). The future lease payments are then converted to a ROU asset value based on the NPV (discounted for interest) of future lease payments. We then disclose this in our Assets Commissioned in Roll Forward of Works Under Construction (Schedule 4(iv), line #70). While the expenditure in the year is only \$100k the ROU value may be \$500k. If we were to record the \$100k as Capex, there would be a \$400k discrepancy in our closing WUC. To avert this, we must increase the capex by \$400k in the current year. Effectively claiming Capex in advance.</p>	<p>The ENA membership recommends that the Commission:</p> <ul style="list-style-type: none"> (a) review all Schedules for new lease treatments GAAP versus Cash
Definition of "subnetwork" and reporting of schedules 9a, 9b, 9c, 9e and 10 by subnetwork	There is a disconnect between the ID Determination and the Commission's 2012 final decision paper relating to the ID Determination. The Commission has recently expressed the view that the commentary contained in clause 7.3 of the final decision paper means that if different prices are applied across different regions this constitutes a non-contiguous network.	The Commission's interpretation of its requirement, without having clarified this in the Determination, imposes a greater burden on the reporting EDB. There is uncertainty in application of the requirement.	<p>The ENA membership recommends that the Commission:</p> <ul style="list-style-type: none"> (a) clarify in the ID Determination the definition of "subnetwork"; (b) removes the requirement to report Schedules 9a, 9b, 9c and 9e by subnetwork where those sub networks are contiguous and have the same owner, irrespective of whether different prices are applied by the EDB.

<p>Schedule 5a Calculation of deferred tax balance</p>	<p>EDB Input methodology clause 2.3.7 (1)(c) "in respect of each disclosure year after the disclosure year 2010, for assets for which there is no regulatory tax asset value, the opening deferred tax balance under GAAP for those assets at the date when those assets were first commissioned." In relation to the above clause, the adjustment is required to be included in regulatory deferred tax at the date the asset is commissioned and affects the closing deferred tax balance for that year. Schedule 5a (vi): Calculation of deferred tax balance has no specific box where this adjustment can be included. Currently we are adjusting the opening deferred tax balance for the following year to comply with clause 2.3.7 (1)(c).</p>	<p>Where there is an adjustment required to be made in respect of clause 2.3.7(1)(c) to regulatory deferred tax, closing deferred tax balance will not match the opening deferred tax balance for the following regulatory year.</p>	<p>The ENA membership recommends that the Commission amends Schedule 5a to include a specific box in the calculation of deferred tax for adjustment arising from clause 2.3.7(1)(c).</p>
<p>Schedule 3(iii) - IRIS</p>	<p>The Incremental Rolling Incentive Scheme (IRIS) is based on the previous IMs IRIS disclosure.</p>	<p>The present format of the Schedule 3(iii) has no relevance to the IMs and IDs and means that the current IM IRIS scheme amounts are not captured as part of the ROI adjustments in Schedule 2(i).</p>	<p>The ENA membership recommends:</p> <ul style="list-style-type: none"> (a) updating ID Schedule 2(i) and 2(v) to include the IRIS amount which aligns with current IRIS Input Methodologies, and (b) removing the IRIS calculation in Schedule 3(iii) as it is no longer relevant, and the detailed calculation is provided in the Annual Compliance Statement.

			EDBs are also seeking clarification on how operating leases (IFRS60 adoption timing) should be treated. Are adjustments needed?
Clause 2.4.19(2)(b)	The requirement to publish pricing notifications in two separate editions of the local newspaper is outdated, inefficient and costly	This increases costs to EDBs with reducing benefit to consumers given the reduced number of consumers reading print media	The ENA membership recommends that this requirement be removed so that EDBs are required only to publicly disclose the information in clause 2.4.18.
Schedule 6b(ii) Schedule 11b	EDBs are subject to new and changing opex costs. Cybersecurity is one such significant cost.	Future opex costs are not reflected in historical opex expenditure and therefore will not be recognised in future DPP resets. Existing ID reporting does not transparently identify cybersecurity cost trends over time.	<p>The ENA membership recommends that Schedule 6b(ii) be updated to include a separate line item to record EDB cybersecurity costs much like insurance is a current separate line item.</p> <p>The ENA membership recommends that Schedule 11b(subcomponents of operational expenditure section) be updated to include a separate line item to record EDB cybersecurity forecasts much like insurance is a current separate line item. Accordingly, a definition for cybersecurity costs may be necessary.</p> <p>We recommend that a definition for Cybersecurity be included in the IDs. We suggest the following definition:</p> <p><i>Cyber security is the application of technologies, processes and controls to protect systems, networks, programs, devices and data from cyber attacks. It aims to reduce the risk of cyber attacks and protect against the</i></p>



			<i>unauthorised exploitation of systems, networks and technologies.¹</i>
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Medium Priority Changes

Reference	Issue	Impact	Recommendation
Clause 2.4.9-2.4.17	<p>Clauses 2.4.9-2.4.17 requires publishing of information in relation to part (a) of the definition of prescribed contract in the information disclosure determination. That is “(a) a contract under which the EDB supplies electricity lines services;”</p> <p>As a result of the new default distribution agreement (DDA) being mandated by the Electricity Authority, we question the value of these publication requirements and suggest that the new default agreement mitigates the need as agreements are more standardised between distributors and retailers (traders).</p>	<p>The DDA standardises terms between retailers therefore the additional cost and administration does not add value for third parties e.g. collating information on different terms between retailers for posting to websites.</p>	<p>The ENA membership recommends removing part (a) from the definition of prescribed contract.</p>
Schedule 3	Better alignment needed between DPP measures and ID	Not as informative for interested parties as could be e.g. could show impact of different schemes on	The ENA Membership recommends aligning profit reporting to include DPP measures where relevant (e.g., IRIS, QoS, capex wash-ups, wash-ups)

¹ Source: National Cyber Security Centre (NCSC) (The NCSC role is to help New Zealand’s most significant public and private sector organisations to protect their information systems from advanced cyber-borne threats)

		profits, including the material impacts on revenue variability	
Schedule 9d - Embedded Networks	Lack of clarity on the basis for the number reported	Inconsistency in reporting between EDBs can occur	Suggest re-label the reporting requirement as average number of ICPs served over the year
Schedule 13/AMP	Schedule 13 is a very detailed Schedule that is unlikely to be read in full by stakeholders	The level of EDB asset management maturity is not easily ascertained by stakeholders and third parties. A better outcome and communication would be to retain a high-level summary reporting using a spiderweb graph in the body of the AMP along with any actions being taken to address gaps.	Remove requirement for Schedule 13 AMMAT. Instead focus on a requirement for exception reporting by requiring provision of high-level summary reporting using a graph or table, for example a spiderweb graph, in the body of the AMP along with commentary on actions being taken to address gaps
AMP - Attachment A clause 12.2.3 budgets for maintenance activities broken down by asset category for the AMP planning period	Reactive and corrective maintenance and inspection can be difficult to forecast at a granular level and reactive maintenance can cut across ID categories	This requirement is unrealistic. Reactive maintenance-type work will cut across ID categories and is not practical to forecast at a granular level. Corrective maintenance is similar over a 10-year period. Preventative maintenance can be forecast however, this definition is only a part of routine and corrective maintenance and inspection.	Refer suggested opex definitions proposal (see Appendix II- Opex Definitions Proposal) and if adopted update attachment A clause 12.2.3 to align with this proposal
AMP - Attachment A clause 3.8	Requirement is for all significant assumptions with detailed subclause requirements.	Lack of clarity on what is required	The ENA Membership recommends limiting the requirement to "assumptions that led to material uncertainty" or similar.

Decarbonisation and Future Network ID

The following table describes recommendations for ID in relation to decarbonisation and future network.

Reference	Issue	Impact	Recommendation												
Future Network Roadmaps	The energy sector is going through a period of change driven by decarbonisation and electrification of transport and process heat, and connection of distributed energy resources.	EDBs need to adapt, provide services quickly and evolve their distribution infrastructure to provide flexibility and two-way flows of electricity.	That the Commission updates the AMP content requirements to include commentary on future network initiatives that relate to implementation of an EDBs network transformation roadmap.												
Disclosure of DER/flexibility information	Customers are connecting distributed energy resources and will want to participate in the energy market.	Customers need better information about the distribution system to help inform their investment decisions.	<p>That the Commission work with the Authority to encourage them to disclose insight reports on DER connection by EDB using information available on the registry. This could then evolve as the recording of this information matures with registry development for instance currently many of the new fuel types have to be categorised as ‘other’.</p> <p>Explaining the options for recording would provide better insights reports by the Authority.</p> <p>This information could include:</p> <table border="1"> <thead> <tr> <th>Fuel type</th> <th>Number Connected (year ending 31 March)</th> <th>Capacity kW</th> <th>Total connected kW of this type</th> </tr> </thead> <tbody> <tr> <td>Liquid fuel</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Natural gas</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Fuel type	Number Connected (year ending 31 March)	Capacity kW	Total connected kW of this type	Liquid fuel				Natural gas			
Fuel type	Number Connected (year ending 31 March)	Capacity kW	Total connected kW of this type												
Liquid fuel															
Natural gas															

			Fresh water			
			Wind			
			Solar			
			Battery			
			Hybrid			
AMP	Improvement in publicly available information about EDB innovation and initiatives	Third parties' visibility of innovation are transparent, and learnings are shared more widely	That the Commission updates the AMP disclosure requirements to include commentary on case studies and/or innovation activity including trials, where available, undertaken by EDBs and the learnings from that.			
Investment from EVs	EVs have been identified as a primary way that New Zealand can decarbonise and access to LV and consumer behaviour data on this part of our network is limited	EV management will be critical to avoid excessive infrastructure investment by EDBs because of new or increased peaks developing from charging activity	<p>That the Commission support the sector to obtain appropriate information on EV penetration in their networks. If this was available to EDBs, we could use this information to overlay utilisation and congestion maps and in time provide additional schedule information on e.g.</p> <ul style="list-style-type: none"> • Number and size of EVs connected (year ending March) and total on the network • Number and size of EV charging devices connected (year ending March) and total on the network 			



Appendix I- Terms of Reference for Information Disclosure Working Group

The Commission's ID Review for EDB's takes place in 2021 shortly followed by a review of the IMs. The RWG has agreed that two work groups be formed in preparation for the ID review, to assist EDB's to identify and prioritise issues that exist with the current ID requirements, and to identify and propose any new ID requirements that will be beneficial for stakeholders and to inform future resets. One work group will consider information disclosure more broadly while the other will have a focus on quality of service issues.

The purpose of the information disclosure work group is to focus specifically on the expected ID Review to be conducted by the Commerce Commission. Any matters related to input methodologies will be addressed at a later date as part of the separate IM Review.

Objective for Information Disclosure work group.

1. Gather evidence as appropriate and review the performance of the information disclosure regime during DPP2 and the beginning of DPP3. This would include:
 - a. Canvas EDBs to assess challenges and issues with the current ID requirements including;
 - (i) areas of inconsistency
 - (ii) areas poorly specified or outdated
 - (iii) areas where additional information would benefit
 - b. Understand the Commission's focus for our sector and propose additional measures that would help to remove information asymmetry
 - c. Understand member aspirations and propose additional measures that would help to support approved investment to deliver on those aspirations
 - d. Determine if there are any disclosure that would support sustainability and innovation outcomes
 - e. Consider the disclosure requirements alongside summary and analysis/ comparative benchmarking to identify potential for inconsistent or inappropriate outcomes/interpretation. Consider any adjustments to ID proposals to minimise this possibility
2. Consider any improvements to the AMP disclosure
3. Make recommendations on improvements to the current regime or suggest alternatives/additions to the scheme to ensure that the resultant information disclosure arrangements are fit for purpose in the period following 2021.
4. Have input to the Commission's scope for the ID review
5. Determine activities and resources required to progress objectives once prioritised

Objective for Q of S work group.

The Quality of Service work group will propose a terms-of-reference for agreement by the Quality of Service work group

Output

A report to the ENA covering the matters above. Presentation to the ENA CEO Forum Regular updates to the RWG.

Membership

EDB experts with relevant technical understanding of the factors affecting information disclosure, as well as commercial/regulatory understanding. A Chair would be appointed from within the Members. Secretariat assistance from an independent expert.

Process and timing

This group needs to convene in January 2021 to develop a work plan for 2021 and agree final scope and outputs. Also need to leave time to consult with members and the Commission. The group also needs to find out in more detail the Commission's schedule of work/timing for the ID review. The group will determine its own final terms of reference and scope of work, based on this draft and any further consultation with ENA members.

Appendix II- Opex Definitions Proposal

Existing category	Existing definition within the ID Determination	Proposed change (please note this is not proposed new drafting)
Service interruptions and emergencies	<p>In relation to expenditure, means operational expenditure where the primary driver is an unplanned instantaneous event or incident that impairs the normal operation of network assets. This relates to reactive work (either temporary or permanent) undertaken in the immediate or short term in response to an unplanned event. Includes back-up assistance required to restore supply, repair leaks or make safe. It also includes operational support such as mobile generation used during the outage or emergency response. It also includes any necessary response to events arising in the transmission system. It does not include expenditure on activities performed proactively to mitigate the impact such an event would have should it occur. Planned follow-up activities resulting from an event which were unable to be permanently repaired in the short term are to be included under routine and corrective maintenance and inspection</p>	<p>Rename to “reactive maintenance”.</p>
Routine and corrective maintenance and inspection	<p>in relation to expenditure, means operational expenditure where the primary driver is the activities specified in planned or programmed inspection, testing and maintenance work schedules and includes-</p> <ul style="list-style-type: none"> (a) fault rectification work that is undertaken at a time or date subsequent to any initial fault response and restoration activities (b) <i>routine inspection</i> (c) <i>functional and intrusive testing of assets, plant and equipment including critical spares and equipment</i> (d) <i>helicopter, vehicle and foot patrols, including negotiation of landowner access</i> (e) <i>asset surveys</i> (f) <i>environmental response</i> (g) painting of network assets (h) <i>outdoor and indoor maintenance of substations, including weed and vegetation clearance**, lawn mowing and fencing</i> (i) <i>maintenance of access tracks, including associated security structures and weed and vegetation clearance</i> 	<p>Separate into two new categories:</p> <ul style="list-style-type: none"> • “preventive maintenance”; and • “corrective maintenance”. <p><u>Preventive maintenance</u></p> <p>“Preventive maintenance” would include operational expenditure where the primary driver is the activities associated with routine maintenance, including testing, inspections, condition assessments, servicing of network assets, and other routine information gathering. It would also cover ad-hoc/out of cycle preventive activities that are usually routine in nature.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • <u>Inspections / condition assessments / testing:</u> planned /cyclical /trigger based /ad hoc, for example: <ul style="list-style-type: none"> • pole testing • LV enclosure inspections • drive around to find cast iron potheads

	<p>(j) customer-driven maintenance*** (k) notices issued</p> <p>*text in green italic would map to "preventive maintenance" and text in blue to "corrective maintenance".</p> <p>**vegetation clearance could map to either "preventive maintenance" or "corrective maintenance" depending on the nature. For example, an EDB may have a regular inspection programme for substation vegetation, in which case the expenditure would be "preventive", or it might be remedial vegetation work where vegetation has encroached on a substation, in which case it would be "corrective".</p> <p>***customer-driven maintenance would most likely map predominantly to corrective maintenance, however, could map to preventive maintenance, for example where a customer requests an oil test.</p>	<ul style="list-style-type: none"> • investigative (bespoke) cable testing after an initial suspect test result • testing prior to a capital project to help determine need case or scope • seasonal ad hoc test e.g. orchard-based equipment inspections • routine alarm checks • zone sub time-based inspections • periodic underground substation clean ups (as opposed to corrective ones after a problem has already been determined) <ul style="list-style-type: none"> • <u>Routine maintenance / servicing:</u> for example, zone substation tap changer maintenance and RMU maintenance • Painting previously unpainted network assets to prevent future deterioration • Corrosion repairs • <u>Training of contractors to undertake preventive maintenance activities:</u> for example, pole test training • Safety-related services: for example, stand over (such as for other asset owners e.g. water pipe excavation near EDB's assets, or for supervising site visits on non-capex projects), close approach permits, cable locating, power quality investigations and high loads. <p><u>Corrective maintenance</u></p> <p>"Corrective maintenance" would include operational expenditure where the primary driver is the activities associated with defect remediation, repairs and replacement of minor components to restore assets to ensure the asset remains operational, second response work and other ad-hoc corrective works.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • <u>Defect rectification, repairs and replacement of minor components:</u> for example: <ul style="list-style-type: none"> • putting a new lid on an existing LV enclosure • Repainting an asset that has started to corrode • oil leak repairs • pole head cutting and capping • possum guard fitting • pole tag removal
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		<ul style="list-style-type: none"> • tap position change on distribution transformers • fixes found from monthly inspections or safety walk arounds e.g. repair fence, lock, gate, etc. • <u>Costs relating to customer-owned assets</u>: for example, replacement of customer-owned service lines and poles, contributions to minor CIW works (not the whole cost) such as a fuse uprating to a service connection, safety disconnections, ICP decommissioning • <u>Non-routine, workshop refurbishment</u>: for example, transformer refurbishment or circuit breaker overhaul off site. • <u>Second response work</u>: for example, a fault is 'switched around' (power restored) under "reactive maintenance" and crews come back the next day to repair a failed asset as "corrective maintenance"
<p>Asset replacement and renewal</p>	<p>means- ... (b) in relation to operational expenditure, operational expenditure where the primary driver is the need to maintain network asset integrity so as to maintain current security and/or quality of supply standards and includes expenditure to replace or renew assets incurred as a result of-</p> <ul style="list-style-type: none"> • the progressive physical deterioration of the condition of network assets or their immediate surrounds; • the obsolescence of network assets; • preventative replacement programmes, consistent with asset life-cycle management policies; or • the need to ensure the ongoing physical security of the network assets 	<p>Remove category. This expenditure would be encompassed either within "corrective maintenance" or would be capitalised.</p>

Appendix III- Schedule 12b Proposal

The ENA ID survey identified some concerns about EDBs applying different approaches to Schedule 12b (Schedule) which included the following:

- Because the existing definitions are subject to interpretation EDBs are likely applying different approaches to Schedule 12b – this means results may not be comparable.
- The Schedule's deterministic (N-1) type of Utilisation or Security metrics don't correlate well with Probabilistic approaches (risk and value-based planning) being adopted by some EDBs.
- The Schedule focuses on firm capacity and does not consider factors EDB take into account in managing risk of potential overloads and supply interruptions.

To identify a solution the first step was to understand what the purpose of the current Schedule was and how it is used by stakeholders.

We didn't identify any key metrics or analysis where the Schedule was used by the Commission, and we understood its purpose to be to summarise and highlight future load impacts on the network and explain the plan EDBs have in place to manage this.

As highlight in the memberships concerns raised above, the definitions of Installed Firm Capacity and Utilisation of Installed Firm Capacity are terms associated with historic practices of how EDBs operated their networks. EDBs have, or are beginning to, focus on network constraint and developing techniques to manage risk of potential overload and supply interruptions.

We therefore proposed amendments to the Schedule which would still capture the Current Peak Load on Zone Subs, however, move to a focus on current or future constraints with explanations for the techniques adopted by EDBs to manage the constraint, or potential future network expansion or other solutions to alleviate constraints.

We have also included a footnote area to explain Current Peak Load policies which may be different across a network's assets or between EDBs.

An example of the proposed amended Schedule is provided is figure 1 below along with new definitions or amendments to current definitions to support the Schedule.

In addition to the amendments to Schedule 12b, the membership also recommends constraint information be presented within the body of the AMP in the form of a heat map.

This will create a clear visual explanation of key areas of current and future forecast constraint facing EDBs so that interested parties can look for opportunities and have the necessary confidence that EDBs are doing the right things.

This aligns with guidance on future ID requirements set out by the Commission in their Nov 2021 *Review of Electricity Distribution Businesses' 2021 Asset Management Plans in relation to decarbonization summary paper*.

Figure 1: Proposed amended Schedule 12b and supporting definitions

Company Name
 AMP Planning Period

SCHEDULE 12b: REPORT ON FORECAST CONSTRAINT

This schedule requires a breakdown of current and forecast constraint for each zone substation and current distribution transformer constraint. The data provided should be consistent with the information provided in the AMP. Information provided in this table should relate to the operation of the network in its normal steady state.

sch ref

12b(i): System Growth - Zone Substations

Existing Zone Substations	Current Peak Load (MVA)	Currently constrained?	Available capacity before constraint reached (MVA)	Year of forecast constraint	Constraint primary cause	Explanation
[Zone Substation_01]		[Select one]			[Select one]	
[Zone Substation_02]		[Select one]			[Select one]	
[Zone Substation_03]		[Select one]			[Select one]	
[Zone Substation_04]		[Select one]			[Select one]	
[Zone Substation_05]		[Select one]			[Select one]	
[Zone Substation_06]		[Select one]			[Select one]	
[Zone Substation_07]		[Select one]			[Select one]	
[Zone Substation_08]		[Select one]			[Select one]	
[Zone Substation_09]		[Select one]			[Select one]	
[Zone Substation_10]		[Select one]			[Select one]	
[Zone Substation_11]		[Select one]			[Select one]	
[Zone Substation_12]		[Select one]			[Select one]	
[Zone Substation_13]		[Select one]			[Select one]	
[Zone Substation_14]		[Select one]			[Select one]	
[Zone Substation_15]		[Select one]			[Select one]	
[Zone Substation_16]		[Select one]			[Select one]	
[Zone Substation_17]		[Select one]			[Select one]	
[Zone Substation_18]		[Select one]			[Select one]	
[Zone Substation_19]		[Select one]			[Select one]	
[Zone Substation_20]		[Select one]			[Select one]	

* Extend forecast constraint table as necessary to disclose all constraint by each zone substation

Footnotes to define Current Peak Load (e.g. 98th or 99th percentile etc.)

A	
B	
C	
D	

* Extend footnote table as necessary to disclose different Current Peak Load policies

Current Peak Load (MVA) / Currently constrained? / Available capacity before constraint reached (MVA)

[Select one]	[Select one]	
Yes		
No		
[Select one]		
[Select one]		
[Select one]		
[Select one]		

Year of forecast constraint / Constraint primary cause

[Select one]	[Select one]
	Transformer
	Auxiliary equipment
	Transformer
	Distribution back-up circuit capacity
	Reactive voltage support
	Other
	No constraint within forecast period
[Select one]	
[Select one]	
[Select one]	

The definitions of the proposed new Schedule 12b to be retained/added to the ID Schedule 16 are as follows:

Current definitions - amended

- **Current Peak Load (MVA):** means the maximum total load measured as being supplied by the existing zone substation at any time in the disclosure year, expressed in units of MVA. **Current Peak Load excludes loads during temporary network reconfigurations and is net of any routinely deployed demand side response or guaranteed distributed generation.**

New definitions

- **Currently constrained:** means the zone substation, during current peak periods, exceeds the EDB's security standards or other criteria for identifying potential development needs.
- **Available capacity before constraint reached:** means the amount of further load that may be added to a zone substation, over the peak period, until the 'Currently constrained' criteria is met.
- **Year of forecast constraint:** means the zone substation is forecasted, during the peak periods, to exceed the EDB's security standards at the end of the year specified within the AMP planning period.
- **Constraint primary cause:** means the **primary cause** of constraint to the zone substation that is forecast by the EDB. The cause must be selected from the following options-
 - subtransmission circuit
 - transformer
 - ancillary equipment
 - Transpower
 - distribution back-up circuit capacity
 - reactive voltage support
 - other
 - no constraint forecast within the AMP planning period.
- **Primary cause:** means the cause with the highest risk and most severe impact.

Appendix B – ENA members

The Electricity Networks Association makes this submission with the support of its members, listed below.

Alpine Energy
Aurora Energy
Buller Electricity
Centralines
Counties Energy
Eastland Network
Electra
EA Networks
Horizon Energy Distribution
MainPower NZ
Marlborough Lines
Nelson Electricity
Network Tasman
Network Waitaki
Northpower
Orion New Zealand
Powerco
PowerNet
Scanpower
The Lines Company
Top Energy
Unison Networks
Vector
Waipa Networks
WEL Networks
Wellington Electricity Lines
Westpower