



3 May 2022

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Commerce Commission
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Dear Jo

Cross-submission: Targeted Information Disclosure Review

Introduction

1. Orion would like to thank the Commerce Commission for inviting cross submissions on the review of the Information Disclosures (ID).
 - The Commission published the submission of the targeted ID review on 20 April 2022¹. The purpose of the submissions was to obtain information and views of submitters on:
 - quality of service,
 - decarbonisation,
 - asset management, and
 - alignment of ID with other regulatory rules.

Summary

2. We have reviewed the submissions which were published on the Commerce Commission's website on 20 April 2022.

¹ <https://comcom.govt.nz/regulated-industries/electricity-lines/projects/targeted-information-disclosure-review-for-electricity-distribution-businesses?target=documents&root=279389>

3. This submission supports some of the views expressed and raises additional concerns.

Other Feedback

4. We continue to support the submission of the Electricity Network's Association and have contributed to its development and the supporting detailed recommendation reports.

Purpose of Part 4 of the Act

5. We support Wellington Electricity's leading principles to measure that the ID's reflect the services customers want, are an efficient use of their expenditure and promote the purpose of Part 4 of the Act. These principles are based on 5 questions:
 - Do the measures reflect what customers want?
 - Is the benefit provided by the information, greater than the cost?
 - Do we understand the cost of providing additional information and will regulatory allowances be first adjusted to provide for the additional funding needed?
 - Do the measures support one of the four limbs of Section 52A(1) of Part 4 of the Act?
 - Incentive to innovate and invest
 - Incentive to improve efficiency and quality
 - Share benefits of efficiency gains with consumers
 - Limit the ability to extract excess profits
 - Does the information collected align with the price / quality regulation?

These are fundamental to ensuring that we continue to provide useful and relevant information without extending an unnecessary regulatory burden on EDBs.

Views of Stakeholders

6. It is encouraging to see the level of interest from stakeholders who submitted on the targeted ID review.
7. We support information which will provide useful insights into evolution of EDB's plans for decarbonisation in principle. Providing this information can add value to stakeholders making decisions to actively adopt emerging technologies. Some of this information is already contained in the Asset Management Plans (AMP) which is a lengthy document to digest and find information easily. Hence our recommendation to split the AMP into two sections:
 - Strategic (reviewed when required)
 - Operational (reviewed annually)

8. We also appreciate the submissions from retailers who have offered valuable insights into their customer requirements.
9. There were several submissions that indicated there was a duplication of effort in providing similar information to several authorities e.g. MBIE, EA, Utility Disputes, CDEM, etc. Duplicate reporting does not necessarily result in better outcomes for consumers as it will place additional costs in programmes, applications and manpower to deliver this information. We believe that due consideration should be given when applying this to the 33 initial questions posed by the Commission and if it fits into the 5 guiding principles in point 5 and the purpose of Part 4 of the Act.

Consultation period

10. We acknowledge that the Commerce Commission has a short turnaround time to complete both the ID and IM review. We feel that the short timeframes between submissions, cross submissions and draft decision does not give all stakeholders time for the due consideration that the review deserves.
11. We would welcome a workshop that would provide the opportunity for a more in-depth discussion and consideration over and above the written submissions.

Concluding Remarks

Thank you again for the opportunity to provide feedback. I do not consider any part of this feedback as confidential.

Please contact me if you have any questions on 027 234 4017 or rob.tweedie@oriongroup.co.nz.

Yours sincerely

Rob Tweedie
Regulatory Manager