



14 September 2023

Commerce Commission
Infrastructure Regulation
Wellington

Targeted Information Disclosure Review (TIDR) 2024

Background

1. The Commerce Commission (the Commission) reviewed the Information Disclosure requirements last year and published the final decision on 25 November 2022¹ for Tranche 1 changes.
2. On 27 March 2023 the Commission hosted an in-person workshop in Wellington to discuss the Tranche 2 proposed changes and seek feedback from stakeholders. The focus at the workshop included:
 - Vegetation management
 - New connection measures
 - How to segregate SAIDI and SAIFI values
 - Enhancing visibility of low voltage (LV) network information
 - Asset Management Plan requirements
3. In addition, the Commission has indicated that the decision is designed to improve and prepare for:
 - Decarbonisation
 - Asset Management
 - Quality of Service
 - Other important changes like clarifying definitions and assurance standards.

¹ https://comcom.govt.nz/_data/assets/pdf_file/0035/299438/Targeted-Information-Disclosure-Review-for-Electricity-Distribution-Businesses-Tranche-1-final-decisions-reasons-paper-25-November-2022.pdf

4. On 17 August the Commission published the TIDR 2024, which replaces the naming convention of Tranche 2 to align with the year in which the changes will come into force. We welcome this change and trust that future reviews of the disclosures will provide stakeholders with meaningful information can support consumers, retailers, EDBs and third parties interested in providing flexibility services and given the emerging technologies.
5. We have reviewed the Framework Paper², Draft Decision³ and Reasons Paper⁴ published on 17 August 2023 with submissions closing on 14 September 2023.

Proposed changes to the Information Disclosure and commentary

6. We note that the Commission intends to publish the final decision in Q1 of 2024 and stagger changes over 2024 and 2025. We submit that these are either done on 31 March 2024 or 31 March 2025 as opposed to retrospective reporting staggered through the year, as we experienced in June 2023.
7. Information disclosed under these proposed amendments may be subject to audit and director certification. We submit that it would be optimal to ensure that these requirements align with the certification of Asset Management Plans or Annual Information Disclosures going forward.
8. A copy of the Commission's proposed changes for the Targeted Information Disclosure Review 2024 (TIDR 2024) are in Annexure A including Orion's feedback on the proposals.

Concluding Remarks

Please do not hesitate to contact Orion on 03 363 9898 should you require any further information regarding this submission.

Yours sincerely

Rob Tweedie

Regulatory Manager

² https://comcom.govt.nz/_data/assets/pdf_file/0024/325545/Targeted-Information-Disclosure-Review-Framework-paper-17-August-2023.pdf

³ https://comcom.govt.nz/_data/assets/pdf_file/0026/325565/EDB-ID-Determination-TIDR-2024-draft-changes-17-August-2023.pdf

⁴ https://comcom.govt.nz/_data/assets/pdf_file/0023/325544/Targeted-Information-Disclosure-Review-2024-Electricity-Distribution-Businesses-Draft-decision-Reasons-paper-17-August-2023.pdf

Annexure A

Orion's Feedback on TIDR 2024

Amendment D3 – Network constraints

- The requirement to forecast the zone substation capacity for 10 and 20 years, to signal to market the need for flexibility, is concerning given the level of uncertainty the further out EDBs forecast . As an example, we have seen how council's long-term plans change over time due to assumptions which rely on consumer behaviour. The inputs to a forecast 10 years out will naturally contain a high level of assumption that flexibility providers would need to take into account in their decision making. Does the Commission envisage the information being accompanied by a high-level certainty rating? .
- The requirements mention forecast security of supply classification. We require more clarification on what the Commission means by this. Orion does have a security of supply with our own classification published in our AMP but there is no national benchmark. The naming and categorisation is our own and not translatable to other EDBs due to different load sizes. e.g., historic building block sizes.
- Point 3.43.3⁵ of the Draft Decisions Reasons papers refers to '*Forecast available capacity – means the further demand load, expressed in MVA, that is forecasted to be able to be added to the existing zone substation, at peak times during the Peak load period during the disclosure year, until it would be classified as having a Capacity constraint or a Security constraint.*'

Is there any clarification of what “anticipated” means? For example, some customers may replace coal fired boilers with electrically powered heat but the actual timing is uncertain. In the AMP zone sub load forecast tables 7.3.2 and 7.3.3⁶, the last column captures this information. We are unsure that it would count as anticipated within 5 years, or within 10 years though and therefore disclosed as it is in the body of the current AMP. We have discussed assigning probabilities to potential load increases – a rezoning proposal that is likely to be approved might be 50%, one that is approved but without any proposed work in the next five years might be 80% within a decade. We submit a preference to assign probability to the anticipated load as opposed to years.

⁵ https://comcom.govt.nz/__data/assets/pdf_file/0023/325544/Targeted-Information-Disclosure-Review-2024-Electricity-Distribution-Businesses-Draft-decision-Reasons-paper-17-August-2023.pdf

⁶ <https://www.oriongroup.co.nz/assets/Company/Corporate-publications/Orion-AMP-March-2023.pdf>

- We note that the Commission proposed that EDBs disclose data about their networks in a generic geospatial file format (such as Geopackage or Shapefile). It is proposed that EDBs disclose, for each zone substation:
 - its name, location (in coordinates), the names of any feeders connected to it, the voltage(s) it primarily transforms, and the boundary of the area it serves.

Orion has this information available. However, we note that it is constantly changing due to the configuration and way in which Orion operates its network. Therefore, any published information would only be valid at a point in time. We also note that we would have strict use case rules around the data e.g. it can only be used for the purpose we are sharing it for, and the data cannot be retained or used for other purposes such as connection decisions, asset location assessments, etc . In order to comply with this requirement Orion would require extra resources in order to provide the data. Depending on the final decision it could take 2-4 months of 1 FTE and we don't have bandwidth to include it in our existing tasks.

Amendment D5 – Work and investment on flexibility resources (non-traditional solutions)

- The Commission proposes to replace all instances of “non-network solutions” in the ID determination with “non-traditional solutions”. We are concerned that there may be instances where we may have “network solutions” which are “non-traditional solutions” to provide electricity line services such as any technology changes to lines equipment or innovative solutions e.g. the use of a Statcom. This has the potential to create interpretation issues complicating the definition of electricity lines service going forward. We submit that the term non-traditional solutions will need to be well defined.
- We do not foresee any issues around the timing of information to be provided in the next full AMP to be published on 1 April 2026.

Amendment D6 – Standardised pricing components including transmission costs.

- In principle, the changes are positive and would align with the Electricity Authority's work to provide better cost reflective analysis on pricing.
- Orion is able to extract the transmission components from each category of revenue and therefore do not have any issues with the Commission's proposal in respect of this request.

- We have looked at the definitions for the standardised connection (for schedule 8) and from a pricing perspective Orion does not categorise our connection types by a metering category. We submit that we do not support categorising distribution pricing by metering category as this is not informative. We also note that Commission and the Authority have different terminology for a “device” and “appliance” tariff. We recommend that the Commission consults with the Electricity Authority to align the terminology.

Amendment AM6 – Vegetation management reporting

- Vegetation management forms part of our operations to minimise the impact it has on outages and damage to Orion’s lines and we support and see benefits of reporting this in the Information Disclosures. We note that the Commission proposes to include this in reporting from 1 April 2024. There may be challenges with implementation in this timeframe as it will require system and reporting changes to accommodate the new reporting requirements. It would be better to give EDBs more lead time to ensure systems can accommodate the proposed change.
- While it is possible to report on storm and wind-borne, we submit that this will be subjective for in-zone or out-of-zone categorisation for disaggregation to this level of reporting post such an event. At this stage we do not have processes in place to collect this data and would need to rely on operators or fault contractors to undertake a site assessment. It will also be challenging to apportion costs accurately between in-zone and out-of-zone when allocating contractor invoices. Consequently, we are unsure how an auditor could verify this.
- Adding “high-risk” of damage to assets to Schedule 9c is also subjective. There is no one accurate formula to determine what trees are high risk and which trees aren't. We question the value gained by stakeholders having the lists or numbers of high hazard tree circuits when this is a subjective evaluation. e.g. heavy rainfall resulting in slips with trees which take down lines and the wind event in Canterbury⁷ in 2021, where the risk is not as a result of trees only.
- Orion has a small number of trim notices in respect of the proposed change to include this reporting, “*given a cut or trim notice or a hazard warning notice to a tree owner under the Electricity (Hazards from Trees) Regulations 2003*” and question how much benefit this would add to readers of the Information Disclosures.

⁷ <https://www.newshub.co.nz/home/new-zealand/2021/09/widespread-damage-in-canterbury-as-devastating-winds-topple-trees-crush-livestock-destroy-irrigators.html>

- Industry is also waiting on the outcome or progress on the Tree Regulations. This review could change the way in which we approach customers about vegetation management and it may be better to postpone this reporting requirement to TIDR 2025 when the results of this review may be clearer..

Amendment Q14 – expand ID requirements to include raw interruption data and information on worst-performing feeders.

- In Aurora’s first year CPP report it included those feeders that had high planned SAIDI (i.e. due to maintenance) using the top 10%. We are concerned that this may not be delivering the reporting which the Commission requires. We submit that this reporting should focus on unplanned only for establishing worst performing feeders so as to establish where there are problematic feeders.
- We also note that worst performing feeders are in rural parts of the network where there are no back feed options and these feeders may be longer with less connections resulting in over investment which will be cross subsidised by other consumers. We submit a better assessment would be to report at transformer level to establish where outages occur more regularly.
- We are also interested in how the proposed additional cause category “other cause” differ from the existing cause category “cause unknown”. Could the Commission please clarify this in the final decision.
- The Commission has proposed new reporting to be included in Schedule 10a in respect of raw interruption data in point 3.193.1 “an interruption identifier”. It is unclear whether the Commission intends EDBs provide a full list of all interruptions or what the interruption identifier would be.
- The Commission has proposed new reporting to be included in Schedule 10a in respect of raw interruption data in point 3.193.2 “circuit location”. It is unclear what would define a location. i.e., Urban or Rural, Grass/Road/Kerb, or Overhead vs Underground.

Amendment A3 – Amend the definition of 'gains / (losses) on asset disposals'

- We support the proposal to make this amendment and Orion does not see any issues in reporting the disposals in this manner.

Other changes 1/4/24

- We support updating the definitions of “ISAE (NZ) 3000” and “SAE 3100” to the current version of these assurance standards as well as removing the definition for “ISA (NZ) 550” as it is no longer required.
- We support the proposal to align existing audit and director certification obligations in the ID determination to the verification framework.