



ELECTRICITY PRICE REVIEW

SUBMISSION FORM

How to have your say

We are seeking submissions from the public and industry on our first report into the state of the electricity sector. The report contains a series of questions, which are listed in this form in the order in which they appear. You are free to answer some or all of them.

Where possible, please include evidence (such as facts, figures or relevant examples) to support your views. Please be sure to focus on the question asked and keep each answer short. There are also boxes for you to summarise your key points on Parts three, four and five of the report – we will use these when publishing a summary of responses. There are also boxes to briefly set out potential solutions to issues and concerns raised in the report, and one box at the end for you to include additional information not covered by the other questions.

We would prefer if you completed this form electronically. (The answer boxes will expand as you write.) You can print the form and write your responses. (In that case, expand the boxes before printing. If you still run out of room, continue your responses on an attached piece of paper, but be sure to label it so we know which question it relates to.)

We may contact you if we need to clarify any aspect of your submission.

Email your submission to energymarkets@mbie.govt.nz or post it to:

Electricity Price Review

Secretariat, Ministry of Business, Innovation and Employment

15 Stout Street

PO Box 1473

Wellington 6140

Contact details

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Use of information

We will use your feedback to help us prepare a report to the Government. This second report will recommend improvements to the structure and conduct of the sector, including to the regulatory framework.

We will publish all submissions in PDF form on the website of the Ministry of Business, Innovation and Employment (MBIE), except any material you identify as confidential or that we consider may be defamatory. By making a submission, we consider you have agreed to publication of your submission unless you clearly specify otherwise.

Release of information

Please indicate on the front of your submission whether it contains confidential information and mark the text accordingly. If your submission includes confidential information, please send us a separate public version of the submission.

Please be aware that all information in submissions is subject to the Official Information Act 1982. If we receive an official information request to release confidential parts of a submission, we will contact the submitter when responding to the request.

Private information

The Privacy Act 1993 establishes certain principles regarding the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information in your submission will be used solely to help develop policy advice for this review. Please clearly indicate in your submission whether you want your name to be excluded from any summary of submissions we may publish.

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Summary of questions

Part three: Consumers and prices

Consumer interests

1. *What are your views on the assessment of consumers' priorities?*

2. *What are your views on whether consumers have an effective voice in the electricity sector?*

3. *What are your views on whether consumers trust the electricity sector to look after their interests?*

Prices

4. *What are your views on the assessment of the make-up of recent price changes?*

5. *What are your views on the assessment of how electricity prices compare internationally?*

6. *What are your views on the outlook for electricity prices?*

Affordability

7. *What are your views on the assessment of the size of the affordability problem?*

8. *What are your views of the assessment of the causes of the affordability problem?*

9. *What are your views of the assessment of the outlook for the affordability problem?*

Summary of feedback on Part three

10. *Please summarise your key points on Part three.*

Solutions to issues and concerns raised in Part three

11. *Please briefly describe any potential solutions to the issues and concerns raised in Part three.*

Part four: Industry

Generation

12. *What are your views on the assessment of generation sector performance?*

13. *What are your views on the assessment of barriers to competition in the generation sector?*

14. *What are your views on whether current arrangements will ensure sufficient new generation to meet demand?*

Retailing

15. *What are your views on the assessment of retail sector performance?*

16. *What are your views on the assessment of barriers to competition in retailing?*

Vertical integration

17. *What are your views on the assessment of vertical integration and the contract*

market?

18. *What are your views on the assessment of generators' and retailers' profits?*

Transmission

19. *What are your views on the process, timing and fairness aspects of the transmission pricing methodology?*

Distribution

20. *What are your views on the assessment of distributors' profits?*

21. *What are your views on the assessment of barriers to greater efficiency for distributors?*

Ampli agrees with many of the statements in the first report for the Electricity Price Review. The availability of timely, accurate & relevant data to support distributors move towards Distributed Systems Operator models will be crucial to support efficiency within the Distribution sector.

Ampli has been actively working on the issue of access to data for Distributors since our formation in 2017. Our thesis is that there is significant value available from the utilisation of existing smart-meter datasets for Distributors. We have had good success enabling the flow of data. By providing anonymisation, integration & analytical services Ampli has enabled multiple projects for the Distribution sector with the use of smart-meter consumption datasets - but we note there are significant barriers.

With regards to data - there are two types of data with very different challenges that need to be considered separately.

- a. Event Data: e.g. loss of power, power quality, voltage sags, etc.
- b. HHR Consumption Data (Half-hour ICP level Consumption data).

Regarding Event Data - there are few barriers to this data being available to Distributors. The issues to resolve for Event Data are typically technical or commercial in nature - e.g. the re-configuration of meters to support distributor requirements, capability from Distributors to utilise the data (e.g. uptake of outage management systems and/or Advanced Distribution Management Systems) and commercial terms agreed with metering providers.

Regarding Consumption data - in addition to technical and commercial issues, there are significant barriers to data access for Distributors for consumption data: *Permission* - the current process requires obtaining permission from one or more Retailers. Each retailer reviews each request - which requires the attention of legal, commercial & regulatory managers, signing of NDA's, and may require a data supply agreement for each request.

Restrictions - any data provided is typically restricted to the specific use the Distributor requested, limits are placed on how long the data may be retained, and the retailer may request the data is returned or destroyed.

Process - The entire process can take anywhere from 12 to 24 weeks (depending on the situation). This time period is influenced by the retailer internal processes and is competing internally with resources required review, approve and deliver the data. We note the provision of data from Retailer to Distributors would not be a core function of a retailer - and seems to be an unnecessary burden and cost for Retailers to comply with.

Retailers cite their obligations under the privacy act and commercial sensitivity of the data among their considerations prior to agreeing to the release of data. We recognise these concerns as legitimate and any solution developed would need to meet the Retailers obligations and concerns in this regard.

While there are differences of opinion between Retailers and Distributors regarding access to consumption data, there are also significant areas of agreement:

- a. Retailers agree that Distributors a right under the UoSA to request such data (e.g. Vector UoSA 6.10)

- b. the data is of value to the Distributors for planning and network management
- c. Customer Privacy is important - with the Privacy Act detailing the requirements for Retailers (and Distributors) regarding the treatment and protection of 'Personal Information'

In our view, the challenge facing the industry in regards to data sharing is not a technical one. The issue is permissions, process and integration - with compromises required to arrive at to a solution that meets all parties core requirements. We do not see the need for a centralised repository for smart-meter consumption data – we encourage the development of an industry led solution.

22. What are your views on the assessment of the allocation of distribution costs?

23. What are your views on the assessment of challenges facing electricity distribution?

Summary of feedback on Part four

24. *Please summarise your key points on Part four.*

The availability of timely, accurate & relevant data to support distributors move towards Distributed Systems Operator models will be crucial to support efficiency within the Distribution sector. Our thesis is that there is significant value available from the utilisation of existing smart-meter datasets for Distributors.

With regards to data - there are two types of data with very different challenges that need to be considered separately: Event Data and HHR Consumption Data. We see few barriers to event data being available to Distributors, but significant barriers for consumption data.

In our view, the challenge facing the industry in regards to data sharing is not a technical one. The issue is permissions, process and integration - with compromises required on both sides to come to a solution that meets all parties requirements. We do not see the need for a centralised repository, we encourage the development of an industry led solution.

Solutions to issues and concerns raised in Part four

25. Please briefly describe any potential solutions to the issues and concerns raised in Part four.

(in regards to barriers to greater efficiency – specifically access to data)

Ampli has been working proactively with Retailers and Distributors to facilitate the release of HHR Consumption data. Our experiences to date suggest there is a compromise position that meets the requirements of both groups. We believe an industry led solution would be best outcome for all participants in the industry and would provide significant benefit to the end consumer.

The core features of this solution would be:

- a. Permissions are obtained from Retailer for the regular and ongoing supply of Consumption data to Distributors for the purposes set out in the Use of Systems Agreements (i.e. for managing and planning the network).
- b. Metering Providers provide the raw consumption data on the agreed schedule, removing the burden from Retailers to provide this service
- c. Network “tags’ are added to the data by an independent party - e.g. associating the anonymised ICP token with the distributors key datasets - e.g. network assets, load groups, customer class, segmentations, meshblocks, etc.
- d. ICP level data is anonymised to remove any ability for a Distributor to associate the HHR data with an individual or household - while still enabling the Distributor to utilise the data for their planning purposes.
- e. Re-identification Risk is assessed and managed.
- f. The process is auditable, transparent & costs are borne by the benefiting party.

We do not see the need for a centralised repository for metering data. In our view the issues currently faced are not repository in nature. Ampli sees the issues as being permissions, process, anonymity and integration.

Part five: Technology and regulation

Technology

26. *What are your views on the assessment of the impact of technology on consumers and the electricity industry?*

27. *What are your views on the assessment of the impact of technology on pricing mechanisms and the fairness of prices?*

28. *What are your views on how emerging technology will affect security of supply, resilience and prices?*

Regulation

29. *What are your views on the assessment of the place of environmental sustainability and fairness in the regulatory system?*

30. *What are your views on the assessment of low fixed charge tariff regulations?*

31. *What are your views on the assessment of gaps or overlaps between the regulators?*

32. *What are your views on the assessment of whether the regulatory framework and regulators' workplans enable new technologies and business models to emerge?*

33. *What are your views on the assessment of other matters for the regulatory framework?*

Summary of feedback on Part five

34. *Please summarise your key points on Part five.*

Solutions to issues and concerns raised in Part five

35. *Please briefly describe any potential solutions to the issues and concerns raised in Part five.*

Additional information

36. *Please briefly provide any additional information or comment you would like to include in your submission.*