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To whom it may concern,

Cross-submission on Network connections project: Stage one amendments

Wellington Electricity Lines Limited (WELL) appreciates the opportunity to provide a cross-submission on the *Network connections project – stage one* consultation.

While we support a more consistent approach to both distributed generation (DG) and load connections across New Zealand, we disagree with the statement from some charge point operators (CPOs) that the timeframes put forward by the EA for distributors to process load applications are too long.

Connection applications are subject to review by a number of internal business areas which must each undertake their own separate processes. This is to ensure compliance with the Electricity Industry Participation Code, industry standards, and WELL's own network standards. While some of this work is relatively straightforward, aspects such as engineering studies can be time-consuming – particularly where separate applications in the same network area are having to be considered collectively.

We agree with Transpower's comments that "there will be factors outside of a distributor's control" which can impact connection application processing times, and that "the industry is presently resource constrained and this can have the unintended consequence of slowing down other work".

With the above in mind, the proposal for shorter mandatory timeframes as put forward by CPOs could incur additional costs on distributors (beyond those that will already be incurred under the current proposals) which may ultimately be passed through to consumers. We do not support shorter timeframes, although we appreciate that the EA will carefully consider the views of CPOs. Should the EA decide to set shorter timeframes, we strongly recommend that a phased approach over time is implemented to allow distributors to gradually adapt and reduce any potential cost impacts. However, as stated, we are satisfied that the EA's proposed timeframes are appropriate.

We also acknowledge Sapere¹ and Meridian's uncertainty as to whether the EA has assessed if the use of existing large DG timeframes is suitable for larger-capacity load applications. However, we agree with the EA's assessment that "the processing of DG and load applications is similar, so the DG process

¹ Drive Electric submission | Network connections project – stage one, Electricity Authority https://www.ea.govt.nz/documents/6299/Drive Electric - Sapere review of Authority propo.pdf

is a good proxy for a load application process"². Under the proposals, distributors will be subject to the same Code requirements for large load applications as they currently are for large DG applications.

Other matters

We also note, alongside other distributors, that the proposed 69kVA bottom threshold for larger-capacity load will already be resource-intensive on distributors should the EA proceed with this threshold. WELL recommends a higher threshold to avoid the need for unnecessary complexity in application processes.

As mentioned in our original submission and by other submitters, we do not agree with the EA's summary of capacity rights allocation which appears to provide an opportunity for applicants to reserve network capacity and may be inconsistent with Part 4 of the Commerce Act.

Finally, we echo Revolve Energy's views on the importance of improving distributor access to smart meter data (particularly 'engineering' data) for efficient and cost-effective network management. We support the EA and MBIE's ongoing work in this area.

Closing

To conclude, WELL disagrees with the submissions stating that the EA's proposed timeframes for distributors to process load and/or DG applications are too long. We think that shortening them could have significant resource implications on distributors and, while we do not oppose the timeframes themselves, we agree with Transpower that there are factors beyond our control that can impact such timeframes.

Thank you for taking the time to read our cross-submission. Please do not hesitate to email Ben Tuifao-Jenkinson, Economic Regulation & Pricing Specialist at <u>ben.tuifaojenkinson@welectricity.co.nz</u> should you wish to discuss our comments in more detail.

Yours faithfully,

Chief Executive Officer

² Network connections project: stage one amendments - consultation paper | Electricity Authority

https://www.ea.govt.nz/documents/5956/Network connections project - stage one amendments consultation paper.pdf