



# MAJOR ELECTRICITY USERS' GROUP

9 May 2013

Dr John Rampton  
General Manager Market Design  
Electricity Authority  
By email to [conference@ea.govt.nz](mailto:conference@ea.govt.nz) and [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear John

## **TPM conference**

1. MEUG welcomes the Authority conducting a conference to clarify views on submissions<sup>1</sup>. This aligns with our suggestion for such a conference in our cross-submission<sup>2</sup>.
2. Several members of MEUG will be registering separately. For MEUG we wish to register:
  - Ralph Matthes, Executive Director, MEUG; and
  - David de Boer and John Stephenson, NZIER. Attached are copies of the Code of Conduct for expert witnesses contained in the High Court Rules signed by Messrs de Boer and Stephenson.
3. Agenda topics we wish to attend are listed in the appendix.
4. Paragraph 5 of the draft conference agenda states "The process for the TPM review involves additional rounds of consultation after this conference" with emphasis added by MEUG. We agree multiple consultation rounds rather than just one will be required.
5. The Authority advice to Genesis on 26<sup>th</sup> April 2013 that the Authority will publish a "summary of submissions and a summary of cross submissions in advance of the conference" is helpful for parties to plan resources for the conference. These summaries need to be published as early as possible.
6. There had been a fear the conference would be the last opportunity for submitters to be heard. By signalling there will be multiple future consultation rounds and a summary

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<sup>1</sup> Found at <http://www.ea.govt.nz/about-us/news-events/events-calendar/transmission-pricing-methodology-conference/> and agenda document URL <http://www.ea.govt.nz/dmsdocument/14619>

<sup>2</sup> <http://www.ea.govt.nz/dmsdocument/14591>, paragraph 20

publication of submissions and cross-submissions, smaller parties in particular will be better able to tailor resources for the conference.

7. Specific comments on the draft conference agenda follow:

- a) The agenda should prohibit any new material or proposals being tabled at the conference by any submitter or the Authority because other parties would not have had an opportunity to consider and cross-submit on that material. New ideas and options should be the subject of other specific workshops or consultation rounds.
- b) Time proposed on connection (40 minutes), static kVar charge (35 minutes) and dynamic support (20 minutes) seems out of proportion considering they are relatively non-controversial. Less time on these topics and more time on other more contentious topics may be warranted.
- c) 40 minutes is planned for embedded generation on day three. This seems light considering we noted<sup>3</sup> in our cross-submission that nine submitters, mainly small participants, in addition to individual MEUG members had focussed on this topic.
- d) The cost for participating in the conference for small participants and most MEUG members is high because they will have to travel to Wellington and may incur costs of staying overnight. Can a conference call option for selected topics be considered? This is particularly relevant for parties that submitted on embedded generation.
- e) On day three at 1:30pm is a 40 minute topic titled "Alternatives". We are not sure what that topic covers. If this refers to alternatives to the proposal that are then compared in the CBA then the "Alternatives" topic should be before the discussion on the CBA.

8. Genesis Energy<sup>4</sup> and Contact Energy<sup>5</sup> asked the Authority if questions could be tabled ahead of the conference. This was a useful inquiry because we also initially thought this would ensure an efficient conference. We accept though the response by the Authority that<sup>6</sup> "the questions asked to submitters will relate directly to the content of their submission. Therefore, provided submitters, and any expert advisers they have engaged, are familiar with the contents of their submissions, they will be well-positioned to answer the questions."

Yours sincerely



Ralph Matthes  
Executive Director

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<sup>3</sup> Ibid, paragraph 9

<sup>4</sup> <http://www.ea.govt.nz/dmsdocument/14775>

<sup>5</sup> <http://www.ea.govt.nz/dmsdocument/14774>

<sup>6</sup> <http://www.ea.govt.nz/dmsdocument/14777> and <http://www.ea.govt.nz/dmsdocument/14776>

## Appendix

Abbreviations and nomenclature:

- NZIER refers to either David de Boer or John Stephenson attending or both.
- MEUG refers to Ralph Matthes attending.

Attendance is categorized into four categories:

- The “Primary” attendee will take the lead on answering questions;
- “Secondary” attendees will assisting the Primary attendee answer questions;
- “Both” refers to both or either MEUG and NZIER answering questions; and
- Where the session involves no questions or MEUG’s submission did not cover a topic in any detail compared to other submitters we have used “Attend” or “Observe”.

29 May 2013, INDICATIVE AGENDA - Day One				
Start time	Indicative session topics	Indicative duration	MEUG	NZIER
9.45 am	Registration (tea and coffee available)	15 minutes	Attend	Attend
10.00 am	Opening remarks from the Chair	10 minutes	Attend	Attend
10.10 am	Introduction of parties' representatives	10 minutes	Attend	Attend
10.20 am	Material change in circumstances	40 minutes	Both	Both
11.00 am	Process for the TPM review	40 minutes	Both	Both
11.40 am	Decision-making and economic framework	40 minutes	Both	Both
12.20 pm	Lunch – Not provided	40 minutes		
1.00 pm	Problem definition	1 hour 30 minutes	Secondary	Primary
2.30 pm	Loss and constraint excess	40 minutes		
3.10 pm	Afternoon tea – not provided	15 minutes		
3.25 pm	Connection	40 minutes		
4.05 pm	Static kVar charge	35 minutes		
4.40 pm	Dynamic support	20 minutes		
5.00 pm	Conference closes for the day.			

30 May 2013, INDICATIVE AGENDA - Day Two				
Start time	Indicative session topics	Indicative duration	MEUG	NZIER
9.45 am	Registration (tea and coffee available)	15 minutes	Attend	Attend
10.00 am	Introduction of parties' representatives	10 minutes	Attend	Attend
10.10 am	SPD method	2 hours	Secondary	Primary
12.10 pm	Lunch – Not provided	50 minutes		
1.00 pm	SPD method	2 hours	Secondary	Primary
3.00 pm	Afternoon tea – not provided	15 minutes		
3.15 pm	Residual charge (RCPD/RCPI)	1 hour 45 minutes	Secondary	Primary
5.00 pm	Conference closes for the day.			

31 May 2013, INDICATIVE AGENDA - Day Three				
Start time	Indicative session topics	Indicative duration	MEUG	NZIER
9.45 am	Registration (tea and coffee available)	15 minutes		
10.00 am	Introduction of parties' representatives	10 minutes	Attend	Attend
10.10 am	Embedded generation	40 minutes	Observe	Observe
10.50 am	Prudent discount policy	30 minutes	Observe	Observe
11.20 am	Cost benefit analysis	40 minutes	Secondary	Primary
12.00 pm	Lunch – Not provided	50 minutes		
12.50 pm	Statutory objective	40 minutes	Observe	Observe
1.30 pm	Alternatives	40 minutes	Unsure <sup>7</sup>	Unsure <sup>7</sup>
2.10 pm	Guidelines	40 minutes	Primary	Secondary
2.50 pm	Afternoon tea –	15 minutes		
3.05 pm	Process for Transpower and draft process for development and approval of TPM	30 minutes	Primary	Secondary
3.35 pm	Next steps	40 minutes	Attend	Attend
4.25 pm	Closing remarks from the Chair	10 minutes	Attend	Attend
4.35 pm	Conference closes.			

<sup>7</sup> Refer to paragraph 7 e) of this letter as to why we are unsure about this topic