

Electricity Authority Work Programme 2018/19

Presentation to MEUG

26 July 2018

Programme A: Evolving Technologies And Business Models

Project No.	Project name	Priority	Description	Why we are doing this project	2018/19 target description
A1	Equal access	1	<p>The Innovation and Participation Advisory Group (IPAG) is to consider and report on:</p> <p>(a) the effectiveness of the operation of the existing equal access framework for transmission and distribution networks , eg establishing the current feasibility for competitive supply of network support services</p> <p>(b) Potential options to strengthen the equal access framework</p> <p>© The design, cost and benefits of any changes (regulations and/or market facilitation measures) identified to strengthen the equal access framework (including arrangements for exchange of network support services).</p>	<p>The Authority is concerned network users are not confident that they will be treated equally when connecting to or using the distribution and transmission networks to either deliver services over the network or provide services to the network itself. The Authority is concerned the lack of confidence will adversely affect competition, reliability and efficiency.</p>	<p>Board decide response to IPAG advice</p>

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A2	Multiple trading relationships	1	This project investigates whether there are inefficient barriers to multiple trading relationships developing as new technology emerges. Barriers could include the data exchange required for these relationships to exist and the technical ability to connect. This project will look at the feasibility and options to allow for multiple traders at an ICP.	Consumers are increasingly able to obtain electricity services (including retail, generation, and demand response) from multiple suppliers. At present, the Code and industry practices limit consumers' ability to establish relationships with more than one electricity services provider. Reducing barriers to multiple trading relationships could promote competition, for example by facilitating development of new business models and services. There is also potential to promote reliability by using diverse, small-scale distributed energy resources.	If needed, amend the Code to reduce inefficient barriers to MTRs
A3	Review of distribution sector	2	The Authority anticipates that rapid technological change is going to have an increasing effect on electricity distribution businesses (EDBs). EDBs have varied governance arrangements and widely varying sizes. Some have ancillary businesses that are not regulated.	We want to assess, and better understand the factors which influence, the readiness and capability of EDBs to respond to technological change.	Board to decide on response to the review
A4	Participation of new generating technologies in the wholesale market	2	Investigate and address any barriers in the code to the efficient operation of new generating technologies in the wholesale market (eg offer, dispatch, spot price arbitrage and ancillary service market participation).	Removing any barriers to different forms of generating technologies in the wholesale market could improve competition, contribute to reliability and potentially improve the operational efficiency of the electricity industry.	Initiate development of consultation paper, possibly as a discussion paper by MDAG.

Programme B: Consumer choice and competition

Project No.	Project name	Priority	Description	Why we are doing this project	2018/19 target description
B1	Default distributor agreement (DDA)	2	<p>A review to consider amending the Code to introduce a default distributor agreement.</p> <p>The contractual relationship between a distributor and retailers is set out in a distribution agreement (also known as a use-of-system agreement (UoSA)). The UoSA sets out the terms of the service provided by a distributor to the retailers trading on its network.</p> <p>The DDA is an important part of developing an equal access framework and promoting more participation, innovation and competition.</p>	<p>A DDA is likely to promote retail competition, reliability and efficient operation. A DDA could reduce entry and expansion barriers, reduce the costs of doing business, and enhance innovation in the retail market.</p> <p>The terms of the relationship between a distributor and retailers are important for retail competition and efficiency.</p>	If needed, amend the code

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B2	What's my number and repurposed information campaign	2	Promote to consumers the benefits of comparing and switching retailers using a multi-channel advertising campaign—and consider the benefits of continuing WMN in its current form, to determine whether the campaign needs to evolve given innovation in services and products and emerging technologies.	WMN encourages consumers to shop around by increasing awareness of the possible savings available and that it is easy to switch. However, consumers are increasingly choosing between traditional and emerging innovative services and products, and between suppliers of these products (eg solar, batteries, electric vehicles, etc). As we continue to implement the current campaign, we will be reviewing whether greater long-term benefits to consumers could be realised through a repurposed campaign.	Deliver 2018 WMN winter campaign. Decide to continue WMN and/or to develop repurposed information campaign.
B3	Saves and win-backs	2	A project to consider whether changes to the Code are required in response to the post-implementation review of the 'saves' Code provisions. MDAG will complete consultation on an issues paper on 29 June 2018 and then will consider the next steps.	It is important that new entrant retailers have a 'level playing field' for competing for customers, and that saves and win-backs do not impede efficient competition.	Decide response to MDAG recommendations on saves protection scheme.



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