

9 February 2024

Electricity Authority  
PO Box 10041  
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[policyconsult@ea.govt.nz](mailto:policyconsult@ea.govt.nz)

Dear Electricity Authority,

### **Consultation – Code amendment omnibus two: December 2023**

Wellington Electricity Lines Limited (WELL) welcomes the chance to provide a submission and feedback on the proposed Code amendments through the Omnibus consultation. This submission can be read as supplementary to the Electricity Networks Association's (ENA) submission.

#### **Include all generation technology in Part 6A**

We support the amendment of 'total capacity' to 'connected generation'. Based on the logic that the uptake of new technologies is outpacing regulation, we also think that further work may be needed to reduce the threshold MW capacity that define 'connected generation'. Many smaller solar or battery units, in aggregate, have the potential to affect the wholesale market while also disrupting the management of a distribution network.

EDBs need to have visibility of the impact these connections could have on the wholesale market and the ability to control significant load or generation if it could impact the network's quality.

These units should be more broadly regulated through connection and control standards. The first step is recognising them as having an impact in the wholesale market and reducing the threshold limits described above.

#### **Clarify use and availability of discretionary demand control**

WELL believe the implementation of the urgent Code change for discretionary demand control has functioned well and we support it being made permanent. We would like to suggest that the System Operator and EA conduct a workshop and test scenarios with EDBs for any clarifying questions on the operational differences between the current setup and the two tranche setup.

There has been a small impact on costs and process development for WELL to manage difference bids for discretionary demand control. However, the level of operational risk an EDB incurs has increased, especially when managing a stressful situation like a WRN or GEN. While the current state for WELL is simple, if the process were to become more intricate, this would require compensation for EDBs as this is not included in our opex allowances.

We further question the need for two tranches in the first instance. We believe this makes the process more complicated and we would like the EA to explain its necessity. For the Wellington network, there



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would be no difference in the discretionary demand that would be offered in a WRN or a GEN. We are not aware of other EDBs who might need to differentiate between the two. If removing the need for two tranches would resolve the potential final price distortion that could occur, WELL would prefer this option.

We would also like to highlight the importance of allowing EDBs to continue to have direct management of the discretionary demand they offer. Discretionary demand control is a crucial tool that is used to maintain network security and quality. Quality is the responsibility of an EDB, and we must have operational tools that allow us to manage this within our own controls.

### **Updating and clarifying the scope and effect of Part 6A obligations**

WELL agree with the problems identified, the need to change the scope, and the proposed solutions.

### **Feedback on the omnibus format**

WELL think the omnibus format functions well for small Code amendments.

If you have any questions regarding our comments above, please contact [chloe.sparks@welectricity.co.nz](mailto:chloe.sparks@welectricity.co.nz).

Many thanks,

Chloe Sparks