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## Submission on the Proposed Class Exemptions for Specified Meter Owners and Small Scale Distributed Generators

### Introduction

1. This is Vector Limited's submission on the Electricity Authority's (the Authority) consultation paper, *Recommending Class Exemptions for Specified Meter Owners and Small Scale Distributed Generators*, dated 18 July 2019.
2. We agree with the Authority's proposal to grant class exemptions for specified small scale distributed generation (SSDG) owners and metering equipment owners (MEOs) from the obligation to register as an industry participant pursuant to section 9(1)(a) of the *Electricity Industry Act 2010*. We generally agree that the proposed class exemptions would reduce barriers to consumers entering the market, alleviate privacy concerns, and remove unnecessary costs for the industry and consumers.
3. We set out below our responses to the consultation questions. We also shed light on related issues and make suggestions to help address those issues.
4. No part of this submission is confidential. Vector's contact person for this submission is:

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### Responses to the consultation questions

**Q1:** Do you agree the issues identified by the Authority are worthy of attention?

5. Yes, Vector agrees that the issues identified by the Authority in this consultation are worthy of attention.
6. We generally agree with the proposed class exemptions from the obligation to register as an industry participant (with the Authority) for:
  - a. owners of SSDG with a nameplate capacity of 100 kW or lower, as long as the owner is not also required to register as another class of participant; and
  - b. MEOs who only own metering equipment measuring electricity at the installation control point where they consume electricity, as long as the MEO is not also required to register as another class of participant.
7. On a related matter around new SSDG connections, we note that the Electricity Networks Association (ENA) has recently established a working group that would develop solutions to

ensure electricity distributors have visibility of, and are able to effectively monitor, new SSDG connections (including electric vehicle connections) to their low-voltage network. We encourage the Authority to collaborate closely with this new ENA working group in developing such solutions.

**Q2: Do you agree with the objective of the proposed exemptions? If not, why not?**

8. Yes, we agree with the objective of the proposed class exemptions for the reasons stated in paragraph 2 above.
9. We note the Authority's statement that "[t]he Authority, through its work programme, will continue to assess if MEOs should have obligations in the Code" (paragraph 6.1, page 16 of the consultation paper). We strongly support this ongoing assessment, particularly in relation to instances where metering providers' (MEPs) compliance with the *Electricity Industry Participation Code 2010* (the Code) is contingent with an MEO's metering equipment or practices being consistent with the Code. For example, an MEO-owned meter may need to be tested for accuracy so that Vector Advanced Metering Services (VAMS) can meet its certification obligations for the site.
10. Currently, MEPs cannot easily recover costs related to MEO equipment requiring work in order to meet certification requirements as MEOs have no Code obligations in this regard. This makes it difficult for commercial relationships between MEPs and MEOs to be established.
11. Our preference is for MEOs to have obligations under the Code, specifically where they are charging the retailer a monthly lease fee for their asset(s). MEOs can then address any Code compliance issues themselves or engage other parties to do so on their behalf. VAMS would be happy to assist MEOs in complying with any future MEO Code obligations.
12. It is consistent with good regulatory practice that obligations are placed on parties best able to address the issue, and that all relevant parties are 'kept whole'.

**Concluding comment**

13. We are happy to discuss any aspect of this submission with the Authority.

Yours sincerely  
For and on behalf of Vector Limited



**Richard Sharp**  
Head of Pricing and Regulatory Compliance