

21 February 2019

John Hancock
Chair, Innovation and Participation Advisory Group

Dear John

Request for advice on arrangements for service providers' to access input services

As you are aware, a key area of work for the Authority is to reduce the barriers to new technologies and business models. As part of this work we are working to remove the barriers to consumers having additional choice of electricity services.

We would like your advice on two issues

The Authority Board requests the Innovation and Participation Advisory Group's (IPAG) advice on means to reducing barriers to customers' access to multiple electricity services.

I encourage the IPAG to approach this advice in the way it believes would best deliver on section 14.2 (a) of its terms of reference and improve the efficient development and use of evolving technologies and business models across the supply chain.

Specifically, the Authority would like IPAG's advice on ways to reduce or remove the barriers associated with:

1. access to data to supply services to a consumer
2. shared use of the distribution service to supply services to a consumer.

Matters the IPAG could consider in developing its advice are:

- the arrangements (including metering) for service providers accessing the market and non-market data they need to provide their services focusing on costs and contractual/regulatory arrangements such as:
 - the need to specify a method for determining the price of metering services when shared between multiple suppliers
 - how a change in MEP at an ICP is managed
 - how metering costs are shared between service providers
 - how a party might obtain and pay for additional metering functionality
 - how to reduce transaction costs associated with contracting for metering services
- the arrangements for managing shared use of the distribution network to supply services to a consumer.

The Authority is continuing to examine ways to reduce barriers to greater participation

The additional consumer choice of electricity services project (ACCES - previously called the multiple trading relationships project) is a key initiative for reducing the barriers to greater participation in the electricity market and the uptake of innovative products and services. This project has three work-streams:

- **Availability of input services:** As discussed above we would like the IPAG's advice on ways to remove the barriers posed by the availability of input services.
- **Quick wins:** We identified some 'quick wins' to reduce inefficient barriers to consumer access to additional electricity services, particularly relating to standardising the process for a third-party to communicate its authorisation to request a retailer provide a consumers consumption data.
- **Preferred model development:** We are developing options, following discussions with selected stakeholders, to reduce barriers to consumers accessing multiple electricity services. Issues we are considering as part of this work-stream include: the operation of reconciliation and market processes and systems, and the assignment of responsibility for consumer obligations.

I have requested Authority staff brief the IPAG on the purpose and objective of the ACCES project, and the interaction between the three work-streams. The IPAG advice is critical to the success of the ACCES project, and to addressing issues relating to access to data which are a major topic of conversation for the sector. We will keep IPAG abreast of the progress and findings of our work through briefings and face to face discussions.

For further information please contact Craig Evans, Manager Retail and Network Markets at craig.evans@ea.govt.nz.

I look forward to receiving your detailed advice.

Yours sincerely



James Stevenson-Wallace
Chief Executive