

## Variation to AoG Consultancy Services Order

|                                 |                             |
|---------------------------------|-----------------------------|
| <b>Original contract number</b> | 18-19C005                   |
| <b>Project Code</b>             | NP.10.050.01                |
| <b>Project name</b>             | Transmission pricing review |

### Part D – Variation to AoG Consultancy Services Order

*The Authority will complete Part D if it wishes to change any details of the original Consultancy Services Order*

#### Details of Variation

The Authority would like to amend the Consultancy Services Order to allow the Provider to deliver Step 3 of the CBA Preparation Services for the Transmission Pricing Methodology Review, as follows:

(a) insert, after clause 2.5) of the CSO:

“2.6) Following the methodology and the scope approved in fulfilling 1.6(b) for Step 2, for Step 3 the Provider will complete the CBA on the TPM guidelines proposal, and associated Code amendments. When completing the CBA the Provider will consider any feedback from Authority staff (including any external peer review commissioned by the Authority,) and subject the CBA to the Provider’s own quality assurance processes.

2.7) The CBA must include:

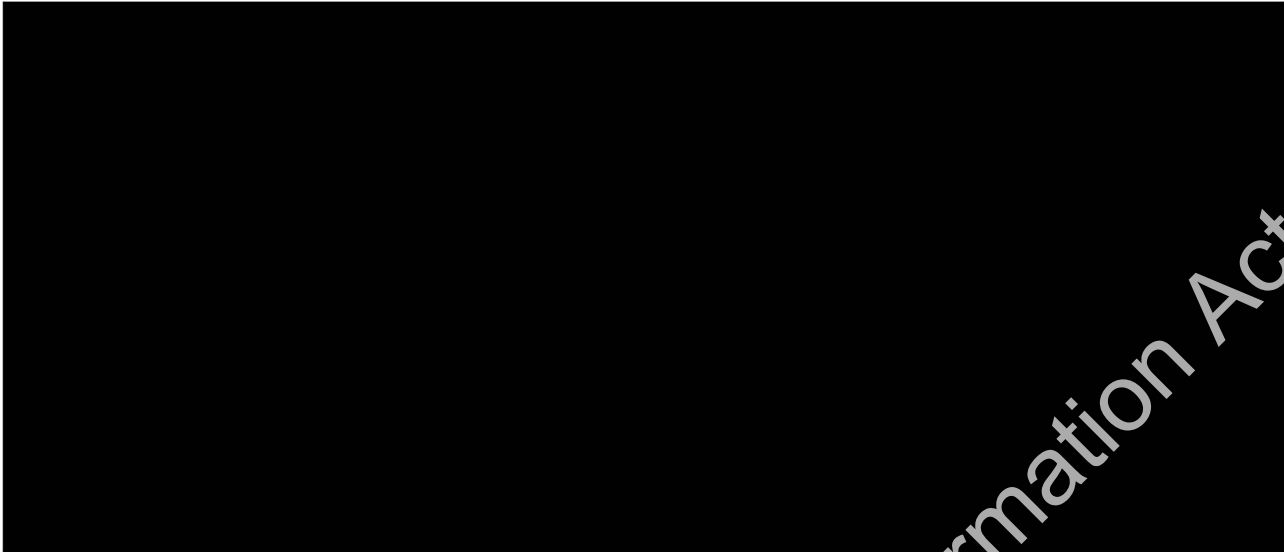
- (a) the CBA produced in Word
- (b) a spreadsheet in Excel with a consolidation of the modelling results and list of the data used and the assumptions made
- (d) the data files used as inputs
- (e) other files showing the modelling code and results that are necessary to show how the Provider produced the CBA results.

2.8) Deliverables and deadlines:

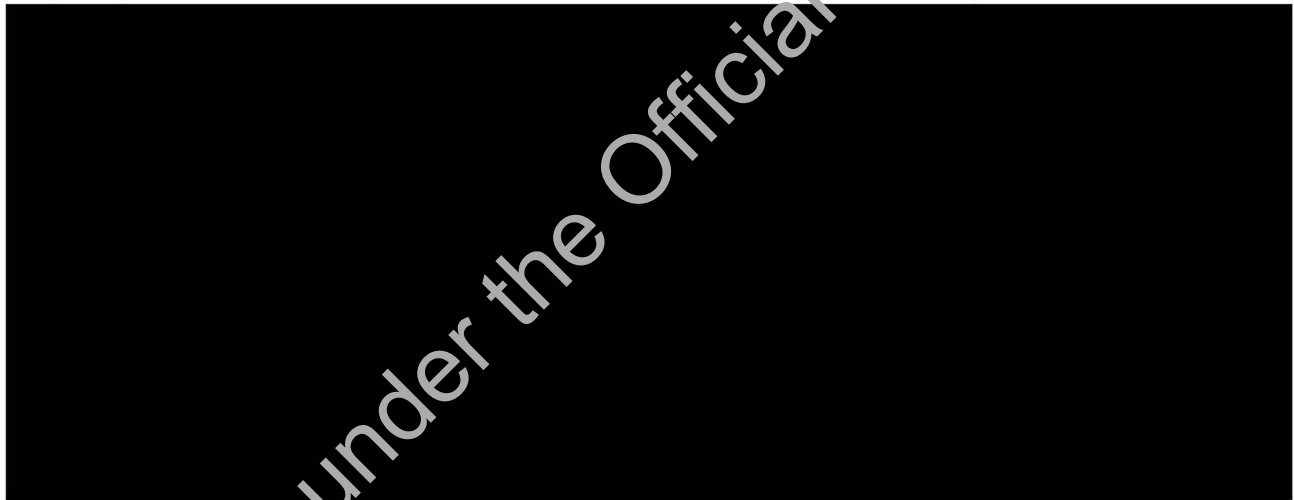
- (a) The Provider will deliver the following deliverables to the Authority by the deadlines specified in the table below, for Authority staff to review.
- (b) Authority staff will be available to respond to the Provider’s questions during Step 3 of the CBA Preparation Services for the Transmission Pricing Methodology Review.
- (c) Authority staff will review and provide feedback on each interim deliverable (including any peer review) within 5 working days of receipt of the deliverable from the Provider.
- (d) The deadlines for deliverables 3, 5, 6, 7, 8, and 9 are dependent on the Provider receiving information by a third party by 14 January 2019; if the information is received earlier or later the Provider will negotiate different deadlines with the Authority.

| Deliverable   | Description  | Deadline                       |
|---------------|--|--------------------------------|
| CBA structure | Provider provides an outline of the CBA to the Authority, showing how the CBA will be presented. | 9am Wednesday 12 December 2018 |

| Deliverable          | Description   | Deadline  |
|----------------------|---|---|
| Modelling 1, 2       | <p>Provider completes modelling 1 and 2, and delivers the modelling to the Authority.</p> <p>1 - TPM development and approval;<br/>2 - TPM implementation and administration;<br/>For each: Modelling results with lists of data used and assumptions made, showing any workings.</p>   | 9am Tuesday 22 January 2019   |
| Modelling 5, 6       | <p>Provider completes modelling 5 and 6 and delivers the modelling to the Authority.</p> <p>5 - Introduce area of benefit charge and remove HVDC charge;<br/>6 - Introduce residual charge based on historical anytime maximum demand and remove RCPD charge.<br/>For each: Modelling results with lists of data used and assumptions made, showing any workings.</p>   | 9am Monday 11 February 2019   |
| Draft of the CBA     | Draft of the CBA delivered to Authority for Authority staff and CBA Reviewer review   | 9am Monday 18 February 2019   |
| Modelling 3, 7, 8, 9 | <p>Provider completes modelling 3, 7, 8, and 9 and delivers the modelling to the Authority.</p> <p>3 - Durability;<br/>7 - Extend prudent discount policy to load customers and to be for the life of transmission asset;<br/>8 - Place interim price cap on net transmission charges;<br/>9 - Code change: Loss and constraint excess allocated to participants who buy for those assets;<br/>For each: modelling results with lists of data used, assumptions made, and showing any workings.</p> | 9am Monday 25 February 2019   |
| Modelling 12         | Provider completes qualitative assessment of modelling 12 - Code change: TPM guidelines can be changed without material change in circumstances - and delivers assessment to the Authority.   | 9am Monday 4 February 2019  |
| Full CBA             | <p>Provider must deliver the full CBA to the Authority.</p> <p>When the Provider delivers the full CBA to the Authority the Provider must warrant:</p> <ul style="list-style-type: none"> <li>that in every respect (unless parts are otherwise specified) the full CBA has been through, and passed, its internal quality assurance processes</li> <li>the full CBA is of a standard that the Authority Board can rely on to make decisions on its approach to its TPM proposal.</li> </ul>        | 9am Monday 11 March 2019  |
| Modelling 11         | <p>Provider completes modelling 11 and delivers the modelling to the Authority.</p> <p>11 - Code change: Avoided cost of transmission payments only permitted for variable transmission charges (eg, demand control and kvar charges)</p>   | Authority and the Provider to agree the date, approach and cost before starting |



(b) in clause 8.1 of the CSO replace “30 November 2018” with “30 June 2019, recognising the possibility there may also be a Step 4, which would be any changes to the CBA as a result of any Board decisions before consultation”.



Released under the Official Information Act

Released under the Official Information Act