



# Updated Electricity Authority Work Programme

**1 July 2019 – 30 June 2020**

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4 February 2020

## Executive Summary

The Authority's work programme details the major projects we intend to progress during the 2019/20 financial year. The original 2019/20 work programme was published on our website on 30 July 2019. This updated work programme responds to our external environment and the need to balance competing demands for the remainder of this financial year. We have recast the project commitments to reflect the contribution to the Government's response to the Electricity Pricing Review and broader electricity sector outcomes.

We have refined the work programme and focused on areas in which we can have the most impact over the short term while enabling ongoing progress on key, longer-term projects such as transmission and distribution pricing. To do this, we have had to put some existing projects on hold and reduced the scope of others while we refocus our attention and effort. These decisions have been made to ensure we can continue to respond to sector priorities and deliver against our statutory objective. Work that has been paused will be reconsidered as part of the 2020/21 work programme – this allows us to rethink and plan for those initiatives as part of our strategy refresh and the feedback we receive from all our stakeholders. Table 1 below provides a summary of changes to the work programme

Our draft strategy is available for comment between 7 and 25 February 2020. The strategy themes and outcomes will be used to inform the development of our 2020/21 work programme. We will be asking for feedback on the draft upcoming work programme as we develop it over the coming months.

**Table 1: Summary of changes**

Change	Project name
<b>Completed</b>	Implementation of new wind generation offer provisions
	Dispatch service enhancements
<b>New</b>	Improve consumer awareness of Powerswitch and utilities disputes
<b>Reduced scope</b>	Additional consumer choices for electricity services (ACCES)
	Participation of new wind generating technologies in the wholesale market
	Review of spot market trading conduct provisions
	Extended reserves implementation
<b>Paused</b>	Are there barriers to renewables in the wholesale market
	Pilot of channel trader framework (part of ACCES)
	Code review programme – CRP #5

## Updated work programme

Project name	Description	2019/20 Target Descriptions	Indicative project completion	Comment
<b>What's my number and re-purposed information campaign</b>	<p>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.</p> <p>Merging the two comparison websites will create an improved website to enable consumers to make more informed decisions.</p>	<p><b>Deliver</b> 2019 campaign.</p> <p><b>Merge</b> Powerswitch/WMN websites</p> <p>If necessary, <b>develop</b> service level standards and contract for integrated powerswitch/WMN service.</p>	<p>Q4 2019/20 – enhanced powerswitch system (functional improvements)</p> <p>Q4 2020/21 major upgrade to merged website complete</p>	<p><b>Links to EPR C1:</b> Merge price comparison websites.</p> <p><b>Additional new target:</b> Merge Powerswitch/WMN websites</p>
<b>Improve consumer awareness of Powerswitch &amp; Utilities Disputes</b>	<p>Dispute resolution and switching tools give consumers simple and accessible channels to get more information about their electricity options. They empower and enable consumers to make choices and act. This contributes to a more efficient and competitive electricity industry.</p> <p>The level of awareness and dispute resolution tools is low, and the level of awareness of switching tools could be improved.</p>	<p><b>Amend</b> the Code and <b>develop</b> principles based guidance on how retailers and distributors can provide clear and prominent information about Utilities Disputes and Powerswitch.</p>	<p>Q4 2019/20 – Code implemented and transition commences</p> <p>2020/21 – monitor and review, and implement any refinements.</p>	<p>New project.</p> <p><b>Links to EPR C2:</b> Improve awareness of dispute resolution and switching.</p>

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<b>Additional Consumer Choice Electricity Services (ACCES)</b>	This project will investigate the benefits of enabling additional consumer choice of electricity services and any barriers that may prevent this choice. The project will effectively allow for the un-bundling of service offerings.	Board <b>response</b> to IPAG advice (input services). Quick wins <b>implemented</b> .	Q4 2021/22	<b>Links to EPR C3:</b> Develop a streamlined way to process customer requests for consumption data  Following on from the quick wins work, we intend to design and implement a default process for consumers to access their own data in 2020/21. Further progress of the potential channel trader model deferred to Q1/Q2 of 2020/21.
<b>Default distributor agreement (DDA)</b>	A review to consider amending the Code to introduce a default distributor agreement, to set out the terms of service provided by a distributor to the retailers trading on its network.	<b>Implement</b> DDA.	Q4 2019/20	<b>Links to EPR C4:</b> Make distributors offer retailers standard default terms for network access.  <b>Links to EPR E3:</b> Ensure distributors have access to smart meter data on reasonable terms.
<b>Saves and win-backs</b>	A project to consider whether changes to the Code are required in response to the post-implementation review of the 'saves' Code provisions. 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.	<b>Decide</b> whether to prohibit saves and win-backs.	Any changes implemented by Q4 2019/20	<b>New target.</b>  <b>Links to EPR C5:</b> Prohibit saves and win-backs.

Project name	Description	2019/20 Target Descriptions	Indicative project completion	Comment
<b>Wholesale market information disclosure</b>	A project to identify any gaps in the Authority's power to require further information disclosure (such as contract fuel supplies) and strengthen disclosure rules to include information on the availability of generation fuel.	<b>Initiate</b> first phase of disclosure review, focussed on thermal fuels.	Q2 2020/21 – complete and implement first phase of disclosure review	<b>Links to EPR D1:</b> Improve availability of wholesale market information.  The Authority's work on information disclosure has been sequenced to commence once the GIC disclosure work has been sufficiently progressed.
<b>Hedge market enhancements</b>	Project to progress the hedge market recommendation resulting from the Authority's review of winter 2017: <ul style="list-style-type: none"> <li>investigate and make on-going enhancements to the hedge market</li> <li>investigate the value of further development of exchange traded (ASX) products</li> <li>Evaluation of incentive-based arrangements for market making</li> </ul> Review of hedge disclosure website.	<b>Decide</b> design of enduring market making.	Q4 2019/20 – Decision on high level design of enduring arrangements  2020/21 – detailed design and implementation	<b>Links to EPR D2:</b> Market making obligations.  No change. The Authority also made an urgent Code amendment relating to existing market making arrangements in January 2020.
<b>Spot market settlement on real-time pricing</b>	This project will develop and implement system changes to introduce Code amendments for real-time pricing market service provider systems, to change the way spot prices are calculated and published, so everything is done in real-time.	<b>Complete</b> detailed design phase for spot market settlement on real-time pricing.	2022/23	<b>Links to EPR D3:</b> Generator-retailers profitability. New target set as previous phase completed.

Project name	Description	2019/20 Target Descriptions	Indicative project completion	Comment
<b>Transmission Pricing Methodology</b>	A review of the transmission pricing guidelines.	<b>Complete</b> consultation and <b>release</b> decision.	Guidelines completion: Q4 2019/20  Implementation phase beginning Q4 2019/20	<b>Links to EPR E1:</b> Government Policy statement on transmission pricing.  No change.
<b>Distribution pricing — Monitoring distributors adoption of more efficient prices</b>	This project will implement and operate the monitoring framework developed as part of the Distribution pricing review.	<b>Finalise</b> monitoring regime. <b>Baseline</b> distributor progress.	Ongoing	<b>Links to EPR E2:</b> Government Policy statement on distribution pricing.  No change.
<b>Ramping down on constrained on payments</b>	Review of whether constrained-on payments should continue to be made when generation is ramping down.	<b>Complete</b> removal of constrained on payments for down generation.	Q3 2019/20	No change.
<b>Participation of new generating technologies in the wholesale market</b>	Investigate any barriers in the Code to the efficient operation of new generating technologies in the wholesale market (e.g. offer, dispatch, spot price arbitrage and ancillary service market participation).	MDAG <b>provide</b> advice to Authority.	TBC (see comment)	Target changed. MDAG has accelerated completion of this initial phase of the project, moving directly to providing advice rather than publishing a discussion paper.  The Authority has scaled back the expected speed and scope of its response to this advice.

Project name	Description	2019/20 Target Descriptions	Indicative project completion	Comment
<b>Extended reserve implementation</b>	Consider the appropriateness of current measures to minimise disruption of supply in the event of unexpected adverse events to improve the security and flexibility of the electricity system through improved extended reserves.	<b>Board approval</b> of project reset proposal.	Board decision Q2 2019/20	No change.
<b>Review of spot market trading conduct provisions</b>	Review trading conduct provisions considering events that have tested these provisions. Consider any findings from case studies, performance reports and compliance reports.	<b>Board response</b> to MDAG advice (focussed on conduct when pivotal).	2020/21	This target has not changed. This area of work will be re-assessed as part of the 20/21 work programme, or in response to completed market investigations or reviews.
<b>Open networks development programme</b>	This programme will be identifying ways of providing for uptake of new technology on distribution networks.	<b>Finalise</b> Open Networks Development Programme <b>Finalise</b> the Code changes needed to integrate hosting capacity into Part 6. In March 2020, convene second hui for distributors and regulatory partners to identify technical connection standards to support uptake of DER.	TBC	This programme has been reduced in scope for 19/20, and will focus on standards development and hosting capacity only. Other aspects of the open networks programme will be reconsidered as part of setting the 20/21 work programme.

Project name	Description	2019/20 Target Descriptions	Indicative project completion	Comment
<b>Market enhancements omnibus – Code Review Programme</b>	This project includes a suite of non ‘sector-shaping’ market enhancement initiatives. This will include initiatives such as operational or fit-for purpose reviews, the annual Code review programme and enhancements to the current market.	At least 80% of market enhancements <b>achieve planned process deliverables</b> for the year.	Q4 2019/20	Only one Code review programme (CRP #4) will be completed in 2019/20.
<b>Switch process review</b>	To address known shortcomings that inhibit innovation and implement changes to the switching process in response to emerging retail business models.	If necessary, <b>amend</b> the Code for easy to resolve issues.	2021/22	No change.