

20 December 2024

Electricity Authority

By email: [connection.feedback@ea.govt.nz](mailto:connection.feedback@ea.govt.nz)

### **Network Connections Project – Stage One**

Meridian appreciates the opportunity to provide comment on the Electricity Authority's (Authority) Network Connections Project – Stage One consultation paper that proposes to amend the Electricity Participation Code 2010 (the Code) to improve the efficiency of connecting distributed generation and load to distribution networks.

#### **Easier, faster, and more consistent and equitable connection processes**

Meridian supports the Authority's objective to ensure easier, faster and more consistent and equitable network connection access across New Zealand. In particular, Meridian recognises that improvements to network connection processes support the connection of electric vehicle (EV) chargers. This is particularly significant as it aligns with the Statement of Government Policy to the Electricity Authority, October 2024, which advocates for connections that facilitate efficient investment in new electricity use including electrifying transport and process heat.

#### **Challenges in rolling out Meridian's EV charging network across New Zealand**

Meridian welcomes the Authority's efforts to streamline and implement consistent connection processes, ensure that distributors publish information on network capacity and their connection pipelines, require more data from distributors, and improve distributor performance monitoring.

While we recognise the benefits are relevant to all access seekers, the complete absence of Code requirements for load applications to date has meant that Meridian has faced challenges as an EV charge point operator (CPO) conducting activity across all 29 distributors. These challenges have included disparate distributor processes, high and varying connection costs, and variable timelines to connect to electricity networks. For example:

- one distributor took 3 months, with regular follow up emails and phone calls from Meridian, to respond to our queries on capacity, cost and timing to connect to their network;
- another distributor required an upfront payment of \$1,500 (plus GST) to provide information on capacity and price to connect;
- some distributors have six or seven approved contractors to design, price and undertake connection work on site, while others have one or two which results in a backlog of work, long lead times and inflated connection pricing on those networks;

- there are wide variations in estimated costs for connection design and reticulation, ranging from \$4,000 to over \$150,000; and
- smaller distributors are very resource constrained, leading to significant process bottlenecks.

### **Proposed Code amendments do not go far enough**

Meridian is confident that the Authority's proposed changes will help improve access seekers' experiences in connecting to the network. However, our view is that the proposed amendments fall short of delivering the necessary changes required to support New Zealand's decarbonisation through electrification journey, especially the support of the Government's goal of rolling out 10,000 public chargers across the country by 2030. Further details on where we see a need for additional improvement are set out below:

#### **1. Pre-application process missing from proposed Code amendment**

In Meridian's experience as a CPO, the inefficiencies of the current system have been felt most clearly at the pre-application stage. In seeking to connect, CPOs will often have location flexibility and will therefore explore multiple sites for connection. This requires upfront visibility of network capacity and indicative pricing across multiple potential connection points. However, a lack of a consistent and efficient pre-application process that includes visibility of distributor pricing methodologies and cost calculators has meant that we have been unable to reasonably and efficiently estimate the likely available capacity and cost of a connection without having to engage with distributors in lengthy and often costly bilateral discussions. This has resulted in inefficiencies for both access seekers and distributors alike.

A formal, mandated, upfront pre-application process would ensure that CPOs are able to better target their applications thereby reducing the number of formal applications submitted to distributors. This, in turn, will deliver efficiency gains for distributors, CPOs and consumers alike.

The Authority has indicated that industry is expected, through ENA's co-creation work with stakeholders, to collaborate and develop a pre-application process outside of the Code. However, Meridian is concerned that the industry will prioritise mandated Code changes above voluntary activity (such as the development and implementation of the pre-application process). This may see this work progress slowly or even not at all due to other priorities. Meridian therefore recommends, at a minimum, that the Authority mandates in the Code that the pre-application processes be finalised and rolled out at the same time as the wider Code amendments take effect.

#### **2. Reliance on voluntary industry action to address barriers is insufficient**

Placing too much reliance on voluntary industry collaboration to develop and implement processes and policies, such as the pre-application process, risks failing to address the challenges of connecting EV charging infrastructure to the grid. Over the past two years there has been limited voluntary action by the industry to resolve existing issues. To support the Government's goal of rolling out 10,000 public EV chargers by 2030, we must act swiftly. If industry prioritises mandated Code changes over non-mandated Code changes, improvements to crucial processes (such as the pre-application process) may be delayed until after May 2026, when the Code changes are expected to take effect, impeding New Zealand's electrification. We need to accelerate the speed of electrifying and decarbonising New Zealand. To do this,

we recommend that all actions expected from industry bodies be mandated through the Code to ensure, among other things, that industry does not wait until the Code amendments take effect in 2026 before finalising important processes such as a formal pre-application process.

### **3. Digital tools and visibility of price and capacity**

Meridian supports the Authority's efforts to ensure that distributors provide visibility of connection price and capacity to access seekers. To better target their applications and deliver efficiency gains, CPOs like Meridian need quick access to and visibility of network capacity and pricing, failing which they will need to engage in bilateral discussions with distributors to cover information that should and could be accessible via digital means.

The proposed Code amendments, while identifying the need for visibility of distributor pricing and network capacity, do not specify how the information should be presented to access seekers. Meridian recommends that this information be made available in an accessible digital format that is consistent with the Commerce Commission's geospatial requirements. This would allow for CPOs to easily and quickly self-assess the potential of sites without needing to have discussions with distributors.

### **4. Timelines for quoting and confirming load applications and requesting extensions**

Meridian supports implementing maximum response times to provide available capacity and accompanying pricing to ensure a consistency of approach among distributors. We also support the right of distributors to seek an extension to submit the information requested from access seekers. However, Meridian is concerned that the maximum timelines are too long and there are few restrictions on the number of extensions distributors can seek which could lead to longer timeframes than are currently being experienced today.

To date Meridian has experienced a wide range of differing timeframes while waiting for a quote or confirmation of a load application. Data collected by Meridian from 34 public EV charging quotes during 2022 (largely for simple 100 to 160kVA connections) showed an average of 72 days (with the shortest time being one day and longest being 208 days) to receive the information requested.

Improving the speed of these processes is critical to improving efficiency. We recommend the Authority introduce shorter mandatory timelines, restrict the number of potential extensions to one, and impose interventions or penalties for poor distributor performance.

### **Concluding remarks**

Meridian's responses to the questions raised in the consultation paper are set out in Appendix D. This submission is not confidential and can be released in full. I can be contacted to discuss any of the points made.

**Nāku noa, nā**

**Debby Abrahams**

Senior Legal Counsel

## Appendix D Submission in respect of consultation questions

### Network connections project: Stage one amendments

#### Submission details

<b>Submitting organisation</b>	Meridian Energy Limited
<b>Contact person</b>	Debby Abrahams
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Questions
<b>Q1. Do you agree the issues identified by the Authority are worthy of attention?</b>
Meridian agrees the issues are worthy of attention. Meridian has experienced these issues first hand through our applications to connect EV chargers to distribution networks.
<b>Q2. Do you agree with the objectives of the proposed amendment? If not, why not?</b>
Meridian agrees with the objective to ensure easier, faster and more consistent and equitable connection access to distribution networks.
<b>Q3. Do you agree the benefits of the proposed amendment outweigh its costs? If not, why not?</b>
<p>Meridian agrees that the benefits of the proposal outweigh the costs. However, increased benefits could be achieved by mandating a digitised pre-application process to be ready for implementation at the same time as the Code amendments take effect. This aspect of the connections process is critical to enable the rapid and efficient connection of new EV charging points as envisaged by the Government's goal to install 10,000 EV chargers by 2030.</p> <p>A simple, digitised means for CPOs to self-assess the commercial viability of sites across multiple configurations will ultimately lighten the load on both applicant and distributors, freeing them up to focus on more complex applications. While the implementation of this digitised tool may incur upfront costs, our expectation is that the benefits will significantly outweigh the costs to the industry as a whole, in the long term. These benefits are likely to be felt by all connecting parties and if done well, could support areas where networks face the largest supply challenges.</p>
<b>Q4. Do you agree the proposed amendments are preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in sections 15 and 16 of the Electricity Industry Act 2010.</b>
Meridian agrees that the proposed amendments are preferable to doing nothing or relying on the industry to improve the overall efficiency of connections. However, we recommend mandating a formal, digitised pre-application process so there is less reliance on voluntary action. We also recommend more regulatory oversight, action on poor performance and reduced maximum timelines.
<b>Q5. Do you agree the Authority's proposed amendments comply with section 32(1) of the Act?</b>
Meridian agrees that the Authority's proposed amendments comply with s. 32(1) of the Act.

<b>Proposals</b>
<b>Proposal A: Amend the application processes for larger-capacity DG applications</b>
A) What are your thoughts on the proposal to replace nameplate capacity with maximum export power?
Meridian supports the Authority's proposed approach for larger-capacity DG applications but does not have any specific comments on the details of this proposal.
B) Do you support the proposed Process 2 for medium DG (>10kW and <300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size threshold? What other changes would you make to the medium DG application process, if any?
See our answer in A) above.
C) Do you support the proposed Process 3 for large DG applications (≥300kW), including the proposed requirements and timeframes? What are your thoughts on the proposed size thresholds? What other changes would you make to the large DG application process, if any?
See our answer in A) above.
D) Do you think the Authority should apply any of the proposed changes for large DG to medium DG applications also?
See our answer in A) above.
E) What are your thoughts on industry developing the detailed policies to complement the Code changes proposed in this paper?
See our answer in A) above.
F) What are your thoughts on the Authority's summary of capacity rights allocation?
See our answer in A) above.
<b>Proposal B: Add application processes for larger-capacity load</b>
G) For Process 3 for medium load (>69kVA and <300kVA) applications: Do you support the proposed process and why? What are your thoughts on the proposed requirements, size thresholds and timeframes? What changes would you make to the medium-load application process, if any?
<p>Meridian supports the addition of larger-capacity load application processes to Part 6 of the Code as this supports New Zealand's climate goals by enabling consumers to electrify and decarbonise. Standardising the application process for load seekers will support CPOs to achieve the Government's goal of installing 10,000 public EV chargers across New Zealand by 2030.</p> <p>Meridian also agrees that the medium and large DG application processes are good proxies for medium and large load applications and that aligning both processes will provide operational efficiencies.</p> <p>Meridian supports the Authority's proposed three category approach to accommodate varying load applications by size and complexity, with the larger, more complex applications undergoing a longer application process. However, under the proposed banding, typical CPO applications will fall into the longer and more complex large &gt;300kVA application category. Since most CPO deployment applications would fall below an 1MVA load, and often do not require a complex application process, Meridian proposes increasing</p>

the 300kVA limit to 1MVa to allow typical CPO deployment applications to fall within medium load category. This will improve the commercial viability of such projects and allow them to rapidly move to deployment.
H) For Process 5 for large load ( $\geq 300\text{kVA}$ ) applications: Do you support the proposed process and why? What are your thoughts on the proposed requirements, size thresholds and timeframes? What changes would you make to the large load application process, if any?
Meridian supports Process 5 for large load applications and recommends that the load limit be increased to $\geq 1\text{MVa}$ (see our comment in response to question G above).
I) Do you think the Authority should apply any of the proposed changes for large load to medium-load applications also? If so, which ones and why?
Meridian proposes that the requirement to place large load applications into the network connections pipeline should also apply to medium load applications to ensure that all EV charger applications are captured in the pipeline. This would provide access seekers with the necessary visibility of connections on electricity networks and improve the efficiency of investment decisions.
J) What are your thoughts on the Authority's summary of capacity rights allocation?
Meridian supports the allocation of capacity rights as summarised.
K) What else does the Authority need to consider beyond the proposals in this paper and why?
<p><b>Processing timelines</b></p> <p>As with distributed generation, the proposed process permits distributors to (a) take up to between 40 and 80 business days (ie two to four months) to process applications and (b) defer their decisions twice in both the interim (Process 5) and final (Processes 4 and 5) application stages, adding an extra two months per deferral to each application. It is also unclear on what basis the Authority has assessed whether the same timeframes for distributed generation would make sense for load applications, and how the proposals will increase the rate of upgrading existing connections and connecting new load.</p> <p>We propose that specifying such long timelines may well cause distributors to slow their current turnaround times to fit with the timelines provided under the proposed Code amendments. Since the Authority has acknowledged that <i>"an efficient sector is expected to be able to exceed these requirements"</i>, our view is that the industry should be incentivised to work towards best practice. Meridian proposes shortening distributors' application processing and deferment timelines to help accelerate the industry's movement towards decarbonisation and electrification.</p> <p><b>Application fees</b></p> <p>Meridian does not support the introduction of application fees unless detailed assessment work is required because we do not believe that it solves the underlying issue of a lack of network visibility that forces access seekers to engage in distributor application processes.</p> <p>We are concerned to hear access seekers often referred to as tyre kickers as being a reason to introduce application fees. Meridian does not engage with distributors on potential connections without genuine intent. Our preference would be to focus on the provision of network visibility through digital tools and pricing transparency to allow access seekers to self-serve and reduce the need for manual quoting and application processes.</p>

<b>Proposal C: Require distributors to publish a network connections pipeline for large-capacity DG and load, and provide information on this pipeline to the Authority</b>
L) Do you support the proposed network connections pipeline, why, why not? What changes would you make, if any? What are your thoughts on the scope of the information to be published?
Meridian supports the proposed network connections pipeline and proposes that, should the Authority agree to lifting the threshold for medium connections to 1MVA, the network pipeline be extended to include all medium and large applications. This will ensure that all EV charger applications classified as medium applications are also captured in the pipeline.
M) What are your thoughts on the proposal for distributors to provide information directly to the Authority on an ongoing basis?
Meridian supports distributors providing sensitive commercial information directly to the Authority on an ongoing basis. Information that can contribute to improving the visibility of potential network connections should still be published by distributors in their network connections pipeline.
<b>Proposal D: Require distributors to provide more information on network capacity</b>
N) What do you think of the proposal to publish more information on network capacity? What challenges do you see with providing the data? What changes would you make, if any?
<p>Meridian supports the requirement for distributors to provide more information on network capacity. This information together with pipeline information will support more efficient investment decisions. We encourage the Authority to ensure this information is made available urgently.</p> <p>Currently, nothing in the proposed amendments encourages distributors to digitise the information required by access seekers. To help ensure consistency and efficiency, Meridian encourages the Authority to mandate in the Code that information must be made available in a consistent and accessible digital format that is aligned with the Commerce Commission's geospatial requirements.</p> <p>Meridian supports a phased approach to delivering this information, with distributors initially being required to provide the information in any form, with a date (to be confirmed in the Code) by when this information must be provided in a digitised form.</p>
O) What are your thoughts on the scope and granularity of the information to be published?
Access seekers have varying capacity requirements that could involve connecting to any part of the network (low, medium and high voltage). Meridian supports the Authority continuing to encourage distributors to obtain granular information at all points of connection over time.
<b>Proposal E: Update the regulated terms for DG</b>
P) What are your thoughts on the proposed changes to the regulated terms?
<p>Meridian supports the Authority's updates to the regulated terms for DG.</p> <p>Meridian also agrees with the Authority's plan to deal with small scale solar projects separately (and as part of Stage Two of the "Network Connections Project") since the regulated terms as drafted are unlikely to be appropriate for residential solar.</p>

**Proposal F: Add regulated and prescribed terms for load applications and amend dispute resolution requirements**

Q) What are your thoughts on the proposed regulated and prescribed terms for load? What changes would you make, if any?

With the experience of hindsight and having operated with 29 different network agreements before the DDAs were introduced, Meridian supports the development of a default connection agreement (a “DCA”) to replace the regulated and prescribed terms for load connections (and the DG regulated terms). While this may introduce an administrative burden to implement and manage, the benefits of doing this outweigh the costs. A DCA would introduce the necessary consistency and fairness across the sector as it would apply to all parties equally, it would negate the need for separate terms for non-participants and participants (as is currently proposed by Schedules 6.2, 6.2A and 6.2B.), it can accommodate a private dispute resolution clause, and it’s been done before and the industry understands how it would work. Similarly to the DDAs, DCAs could then be published as standard agreements on distributors’ websites.

Under the current DDA regime, most retailers and distributors will be parties to a Consumption Data Agreement (CDA) where the parties agree to share interval and cumulative consumption data. In instances where the parties to the DCA are also parties to a CDA, Meridian proposes that they either rely on the clauses of the CDA or ensure in the drafting that the clauses do not overlap. In the event that the load applicant does not have a CDA with the distributor, they could rely on the data sharing terms as drafted in Schedules 6.2, 6.2A and 6.2B, with the following amendments: (a) extend the term of 3 business days to at least 7 business days (b) indicate how often the data should be provided.

R) What are your views on the proposed dispute resolution changes for Part 6? In what ways could dispute resolution be further improved? What are your thoughts on the alternative options to deliver dispute resolution discussed in this paper? Do you have any feedback on the 20-business day timeframe proposed?

Meridian has no comment on the dispute resolution changes for Part 6 other than to note that if a DCA regime were implemented, it would allow for private dispute resolution arrangements to apply, which may be more relevant to the parties.

S) Do you consider the alternative contractual terms option discussed in this paper (and in the Distribution connection pricing consultation paper) would be better than the proposal without contractual terms? What are your thoughts on the other alternative options referred to?

Meridian supports the alternative contractual terms option as discussed in our response to question Q).

**Proposal G questions: Increase record-keeping requirements for distributors**

T) Do you support the proposal to increase the record-keeping requirements for distributors and why? What changes would you make, if any?

Meridian supports the amendments to record-keeping requirements to support the Authority to monitor distributors and the sector’s performance on network connections and upgrades.

Meridian recommends that the performance monitoring should go further than is proposed by the Code amendments. In particular, the Authority should also monitor connection costs, benchmark them against national standards, and provide an annual monitoring update to the sector.

These performance metrics will indicate how the industry is tracking against the purpose of the Code amendments and help the Authority identify potential issues and where it should focus its efforts.

<b>Proposal H questions: Introduce new Part 1 definitions and amend existing definitions (Part 1 only)</b>
U) What are your thoughts on the proposed new definitions and amended definitions for Part 1 of the Code? What changes would you make, if any?
No feedback.
V) What other terms do you think the Authority should define and what definitions do you propose for those terms?
No feedback.
<b>Proposal I question: Make minor and incidental amendments to Part 6</b>
W) What are your thoughts on the proposed minor and incidental changes to Part 6? What minor and incidental changes has the Authority missed and what changes would you make, if any?
No feedback.
<b>Transitional arrangement questions</b>
X) What are your thoughts on the transitional arrangements for the proposals in this paper? Submitters can consider individual proposals when responding to this question.
The workstreams in the Streamlining Connections Programme run in parallel with the Code amendment process, and any work products that are to be developed under the Programme should be delivered at the same time as the Code changes are implemented. As the industry should not need more time to deliver the work products supporting the Code amendments, Meridian proposes a 6 – 9 month transition period would be more appropriate in the circumstances.
Y) What proposals do you consider the most important? How long do you think is needed to implement these?
For Meridian, the most important aspect of the Code amendments relates to mandating that the pre-application processes be finalised and rolled out at the same time as the wider Code amendments take effect. If that is not possible, Meridian suggests that the Authority provide support to the ENA so that they may prioritise this co-creation work with stakeholders.
<b>Code drafting question</b>
Z) Do you have comment on the Authority's drafting of the proposed Code changes? What changes would you make, if any?
No feedback.