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John Rampton  
General Manager Market Design  
Electricity Authority  
Wellington  
By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear John

## Approved Test House certification processes

We appreciate the opportunity to submit to the Electricity Authority (the Authority) on *Permitting ATHs to amend certification reports*, published 24 April 2018.

### Review the Code provisions to ensure efficient certification processes

As a metering equipment provider (MEP) we engage approved test houses (ATH) to certify our meter installations. We have an interest in ensuring certification processes are efficient.

We agree with the Authority that some changes do not affect the accuracy of the metering installation and hence no effect on settlement and invoicing (refer section 2.14). We consider activities that do not affect the operation or accuracy of a metering installation should be excluded from certification and record keeping processes.

We consider the problem presented in the consultation paper is too narrowly defined as an absence of a specific solution (the code change made under urgency). In our view, the Authority has time to consider the problem definition more broadly including whether the wider existing processes for certification create inefficiency. Inefficiency is compounded as certification processes apply to all metering installations as well as from making changes e.g. to support remote reading and new processes like peer to peer trading.

The Code could be reviewed for improving operational efficiency around meter certification for example to:

- more clearly define the boundary of the certified metering installation, so that only those components necessary for accurate measurement and recording are included
- more tightly specify metering data to cover records pertinent to the installation certification and not wider asset information
- review the metering installation commissioning requirements to distinguish between
  - tests necessary to confirm that the metering installation is operating correctly and can be certified and
  - tests of external systems that collect and use the data created by the measurement and storage process.

### **Code amendment under urgency: Clause 8A of Schedule 10.7**

We raise some implementation concerns with the clause that was inserted under urgency and consider the clause creates risk for information accuracy.

**8A (1)(b)** How will the ATH know whether 'new information' has or has not affected the operation or accuracy of the installed meter? To illustrate, example 3 in the paper describes a site converted from manual to remote reading by the addition of a communications device. The accuracy of the data recorded by the meter will not have changed but using a new way to transfer data could change the scope and accuracy of data being received at the back office. The Code provision does not convey any check on the accuracy of existing and/or new data.

**8A (1)(c)**. It is unclear how to apply a '... conclusion that differs...' to enable amendment by an ATH. Under example 4 a control device type A is replaced by a different type of device B and the new device performs the same function as the one it replaces. In this case the new control device works the same so the conclusion is no different. The ATH cannot then amend the certification.

**Audit.** Will the original certification report be kept for an auditor to review the amendments?

We have responded to the questions in the Appendix. In our view, making permanent a code change made under urgency without fuller consideration to the problem definition may retain inefficient processes.

We would be happy to discuss our views with the Authority. Please contact me if you have any questions.

Yours sincerely



Micky Cave  
**Senior Regulatory Analyst**

## Appendix – response to questions

Question	Comment
Q1. Do you agree there are adverse effects on retail competition and market efficiency from the Code's metering recertification requirements in the absence of the urgent Code amendment that came into force on 12 January 2018?	We agree there is an efficiency issue that needs to be addressed. Activities that do not affect meter operation or accuracy should not create re-certification processes.
Q2. Do you agree with our proposed approach to addressing these adverse effects?	No. We consider the Code provides that activities that have no impact on the operation or accuracy of a metering installation are included in the certification and record keeping processes.  The Code could be reviewed for activities that have no impact on the operation or accuracy of a metering installation.
Q3. Do you agree with the proposal's objective? If not, why not?	Yes.
Q4. Do you agree the proposal's benefits outweigh its costs? If you disagree, please provide reasons.	Under the code amendment, economic cost from existing inefficient certification processes may remain.
Q5. Do you agree there are no viable alternatives to addressing the problem we have identified? If you disagree, please provide reasons.	No. A viable alternative approach is to review the Code provisions to distinguish activities that do alter meter operation and accuracy from those that don't. Activities that do not affect operation or accuracy should be excluded from certification and record-keeping processes.
Q6. Do you agree that the proposed Code amendment complies with section 32(1) of the Act, and with the Code amendment principles, and should therefore proceed? If you disagree, please provide reasons.	No, we consider clause as drafted creates implementation issues for example under 8A (c) if a change of component produces NO change in conclusion, the ATH cannot amend the certification.  Also, we consider the policy problem is broader than the specific issue that necessitated the urgent code change.