

**SUBMISSION TO THE COMMERCE COMMISSION ON DRAFT ELECTRICITY  
INFORMATION DISCLOSURE REQUIREMENTS**

**BY GENESIS POWER LIMITED**

**9 FEBRUARY 2004**

## **1. INTRODUCTION**

**1.1** Genesis appreciates the opportunity to comment on the Draft Electricity Information Disclosure Requirements (“**DEIDR**”)

**1.2** Genesis’ contact is:

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## **2. GENESIS POWER LIMITED**

Genesis Power Limited is a state-owned enterprise with a diverse electricity generation portfolio and is one of New Zealand’s largest energy retailers. We operate 1,600MW of electricity generation including New Zealand’s largest thermal power station at Huntly, hydro stations at Tongariro and Waikaremoana and a wind farm in the Wairarapa. Genesis also owns cogeneration facilities at large industrial sites and an interest in the Kupe oil and gas field. As a retailer, Genesis has approximately 600,000 electricity and gas customers located predominantly in the North Island. Genesis is currently a member of the New Zealand Electricity Market, a party to the Metering and Reconciliation Information Agreement and a member of the Electricity Complaints Commissioner Scheme.

## **3. SUBMISSION**

Genesis’ review of the DEIDR has focused on outcomes for end consumers. In focusing on end consumers’ interests we have addressed the quality threshold of the Targeted Control Regime of Part 4A of the Commerce Act 1986. The quality threshold that is to apply to large electricity lines businesses has reliability and consumer engagement criteria underlying it. Our submission relates to the disclosure requirements that best support these criteria.

**3.1** The data required to be disclosed by electricity lines businesses is currently too aggregated to adequately assess whether the reliability criteria is being met, particularly where network companies hold non-contiguous assets and where their assets are spread over diverse topographical features. Statistics relating to urban areas are likely to reflect a greater reliability than statistics relating to remote rural areas. The performance in one part of the network can offset and effectively hide the performance in another part

of the network essentially rendering the reliability performance measures currently disclosed meaningless in terms of the quality threshold.

- 3.2** For consumers to make informed decisions under the consumer engagement criterion about their demand for service quality data disclosure, at a more detailed level than currently available, is required. To make an adequate price/quality trade-off decision, consumers need to be able to assess the performance of 'their' piece of the network and make comparisons across the network with service performance received by consumers with similar characteristics to their own.
- 3.3** The current requirements for the system average interruption duration index ("**SAIDI**") and the system average interruption frequency index ("**SAIFI**") disclosures under Part 5 of the draft requirements should be for disclosures at a feeder level, (feeder average interruption frequency ("**FAIDI**") and feeder average interruption frequency ("**FAIFI**") rather than at a system level. Alternatively, an appropriate aggregation of feeders into classes could be developed; line business owner Powerco's asset management plan currently provides an example of this form of aggregation.
- 3.4** For consumers to understand the drivers on electricity lines businesses in terms of a price/quality trade-off, an understanding of the underlying costs is necessary. The asset management plans need to present costs in a way that is meaningful to consumers and consistent with that outlined for the reliability performance measures as discussed above e.g. the capital investment and operating costs for each feeder class.
- 3.5** The drafting of requirement 25 (2) (a) should be tightened to ensure that it relates to pricing at an ICP level. Given one of the proposed outcomes of the government policy statement on electricity governance is transparent disclosure of lines charges, Genesis believes, this tightening of requirement 25 (2) (a) is essential.

#### **4. FURTHER INFORMATION**

Genesis' contact would be happy to receive any queries in relation to our submission. We do not seek confidentiality in relation to any aspect of this submission.