

# Cost effectiveness of CPP rules and processes

## Input methodologies review forum

30 July 2015

Simon Copland, Chief Advisor



# Purpose of this session

We are in the problem definition phase of the IM review

Today, we wish to:

- Better understand the obstacles faced by suppliers in applying for a CPP
- Seek views on the topics and problems that should be addressed for the CPP IM review
- Update interested persons on our decision to fast-track consideration of proposed changes to certain CPP requirements



# Framing the topic and problem

- We received a substantial amount of feedback from interested parties following the Orion CPP
- A number of issues identified – a common theme was the costs and time incurred due to complexity
- Problem: how do we make the CPP process less complex and costly without detrimentally affecting the s52A purpose?
- Must balance benefits of setting CPPs, against the costs for preparing and evaluating a CPP proposal
- Some consideration already given to cost/complexity in setting the CPP IMs in 2010

# Key areas we identified:

## Complexity and costs

- Costs of the applicant meeting the CPP information requirements
- The engagement and use of external parties such as verifiers and auditors
- The costs of us evaluating the CPP proposal, including our use of experts

We would like to know if you agree with this



# Objective for today's session:

We wish to listen to your views:

1. Identify what issues are present with the current CPP IM requirements;
2. Better understand how these issues might be a barrier to a supplier preparing and submitting a CPP application; and
3. Identify priority areas / possible solutions to progress as part of the IM review.

Written submissions due **21 August 2015**

Cross-submissions due **4 September 2015**



# Outline for this session

- Fast-tracking certain CPP IM changes
- Those who have experience of Orion CPP process (45 mins)
  - **Dennis Jones** – Orion (applicant)
  - **Geoff Brown** – engaged previously as verifier
  - **Bill Heaps** – engaged previously by Comcom as an expert advisor
  - **Simon Copland** – summarising public CPP feedback
- Intending applicants and consultants (25 mins)
  - **Oliver Vincent** – Powerco
  - **Lynne Taylor** – Industry Consultant
- Questions/comments from the floor



# Fast tracking of CPP IM changes

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# CPP fast track

We have decided to consider certain amendments to CPP processes and requirements through a fast track process

Relatively simple changes to improve certainty and reduce compliance costs for process and content requirements\*

- Modifications/exemptions to information requirements
- **Alternative Methodologies With Equivalent Effect** (AMWEEs)
- Accepting a “materially complete” proposal

Not a ‘line-by-line’ review of CPP requirements

Fast track covers both EDBs and GPBs

\* Also considering which IMs apply, and when



# Indicative timetable

- ‘CPP information requirements’ fast track
- Timing designed to apply to suppliers who are contemplating submitting a CPP proposal in 2016 or later

Indicative process step	Indicative timeframe
Amended NOI and Process Update	6 August 2015
Draft decision and amendments	7 September 2015
Submissions due	25 September 2015
Cross-submissions due	2 October 2015
Final decision and amendments	9 November 2015

- Consideration completed and process re-integrated into the overall IM review before IM draft decisions in mid-Q2 2016



