

Reconciliation Update- Issue #2

September 2005

The regular reconciliation implementation project updates are designed to keep you informed of the progress on the implementation of the modified reconciliation process.

Additional consultation

The Reconciliation Implementation Project Team (RIPT) would like to signal to the industry that a second round of consultation is likely to occur as changes have been made to the original proposal and consequently new rules have been developed. It is likely that consultation, if approved by the Electricity Commission (EC) Board, will occur in December 2005.

Project timeline

Due to the strength of submissions and issues raised, the original timeline (with a target go-live date of May 2006) will be extended. A new go live date will be communicated once a decision has been made on the second round of consultation.

Project update

As well as the two specific areas (UFE & Terminology) that this update focuses on, the RIPT has also been progressing:

- Initial drafts of the functional specifications for the registry and reconciliation systems; and
- In response to submissions, the RIPT has been working on and refining aspects of the rules to do with:
 - Compliance;
 - Unmetered load;
 - Embedded networks;
 - Embedded generation;
 - The reconciliation manager processes; and
 - Profiling.

UFE calculation and allocation

As a result of submissions and feedback received at the reconciliation workshops the RIPT has spent a considerable amount of time refining the unaccounted for energy (UFE) algorithm and allocation process.

The overall process that is proposed for converting reconciliation input data into balanced and fully reconciled output data is summarised in the following steps:

- a) Retailers submit non half hour (NHH) & half hour (HHR) consumption data, together with supporting electricity-supplied data and other metrics data;
- b) Adjust, where required, for missing Installation Control Point (ICP) days;
- c) Adjust submitted HHR volumes for losses;
- d) Determine profile shapes and apply to NHH volumes;
- e) Profiled NHH volumes are adjusted for losses;
- f) Calculate scorecard values (in preparation for combining with market share data);
- g) Calculate core network-area UFE;
- h) Allocate core UFE to all purchasers using market share values (modified where relevant by scorecard ratios);
- i) Separately finalise allocation of the fully adjusted volumes for those large ICPs identified as being dedicated to a specific Grid Exit Point (GXP);
- j) Re-distribute volumes between GXPs, within network areas to account for ICP-GXP misallocations; and
- k) Provide the allocated totals to Clearing and Settlement for invoicing.

These steps are described in more detail in the 12 September RIPT meeting papers.

These can be found on the EC website:

<http://www.electricitycommission.govt.nz/adv/sorygroups/pjtteam/ript/meetings>

Terminology issues

A number of terminology issues have been considered by the RIPT. This section summarises two of the more substantial issues. For more details on the other minor terminology changes please see the meeting papers and minutes.

Grid connection point

The terms grid exit point (GXP) and grid injection point (GIP) have been used in the Electricity Governance Rules 2003 (Rules) to distinguish between points where grid connected generators inject into the grid and points where electricity is taken off the grid for supply to consumers.

The RIPT proposed replacement of the two terms for the single term grid connection point (GCP) because electricity may flow either way at both GIP and GXP. Concern was raised regarding this during submissions and the RIPT has concluded that the wholesale rules require a distinction between GIP and GXP that is well served by these terms and it is considered unlikely that a global change within the Rules to GCP will be practical or acceptable.

The rules subgroup of the RIPT has been tasked with assessing the following two options concerning the use of GIP, GXP and GCP:

1. retaining the use of GIP and GXP as is across all Rules; or
2. adopting one of the existing terms, point of connection (POC) or network supply point (NSP) for use in the reconciliation rules.

The next reconciliation update will note the rules subgroup's recommendation regarding their analysis of the two options.

Losses

The RIPT has agreed to recommend the adoption of the terms 'losses', 'loss factors', 'loss category', 'loss ratio', and 'unaccounted

for energy' as defined by the model distributions arrangements review panel, subject to scenario testing. These definitions are outlined below:

'losses' means, for a particular period, the difference between the sum of all electricity injected into a network and the sum of all electricity measured or estimated as having exited that network.

'loss factor(s)' means the factor(s) expressed as 1.XXXX to be applied to the electricity measured or estimated as having been delivered to an ICP (or NSP for an embedded network) in order to allocate a share of the expected losses within the network to that ICP, such loss factor(s) to be determined by the distributor and published from time to time.

'loss category' means the code in the registry, and in the schedule of loss category codes and loss factors published by the distributor, which enables retailers and the reconciliation manager to identify the loss factor(s) applicable to an ICP at any point in time.

'loss ratio' means, for a particular period and network, the losses expressed as a percentage of the electricity injected into the network.

'unaccounted for electricity' or 'UFE' means, for a particular period and network, the difference between the sum of all electricity injected into a network and the sum of all electricity measured or estimated as having exited that network multiplied by the applicable loss factors.

The terms 'embedded losses', 'loss criteria' and 'local loss criteria' are not used in the rules and will be removed from the definitions.

For more information

The RIPT papers (including previous reconciliation updates) are available at: <http://www.electricitycommission.govt.nz/advisorygroups/pjtteam/ript/meetings>

If you require further information or wish to either subscribe or unsubscribe to the reconciliation update please email Trish Bradley on: trish.bradley@m-co.co.nz

Contact details:

Reconciliation Project Manager- Sarndra Flay is the Project Manager for the reconciliation project. Sarndra can be contacted by email: info@upshot.co.nz or phone 04 972 5161.

Electricity Commission- Please note Robert Reilly, the EC's Senior Advisor Retail, is on annual leave from 15 September through to 18 October 2005. During this period, please contact Lisa White at the EC. Lisa is the Assistant Advisor Retail, and can be contacted on email: lisa.white@electricitycommission.govt.nz or phone 04 460 8847.

RIPT Administrator

Jacinda Papps, from M-co, is the primary RIPT administrator contact. Jacinda will be on leave from 23 September through to 14 October. During this period, please contact Trish Bradley in the first instance. Trish will direct your query to the relevant person. Trish can be contacted on: trish.bradley@m-co.co.nz
