



Farrier Swier
Consulting

CONFIDENTIAL

**Supplementary report to the
Electricity Commission**

**Transmission Contract
Structure &
Counterparties-
Performance Incentives**

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Introduction

1.1 Purpose of paper

This paper supplements Farrier Swier Consulting and Concept Consulting Group (the consultants) Report and Recommendation to the Electricity Commission: Transmission Contract Structure & Counterparties, dated 25 May 2004 (the Report)

The paper has been prepared at the request of the Electricity Commission. It discusses how incentive based regulation can supplement contractual arrangements in relation to transmission services and performance.

Specifically, some potential transmission services, such as reliability, may materially affect the cost and quality of service for end users, and may be of concern to retailers. The nature, extent and priority accorded to any such concerns is not yet clear.

Part F transmission agreements between Transpower and a distribution lines company may not reflect the interests of end users (and retailers) in ensuring that Transpower is incentivised to take account of the market impact in the manner in which it manages the grid.

1.2 Background

1.2.1 Report on Transmission Contract Structure & Counterparties

Farrier Swier Consulting and Concept Consulting Group have made recommendations on two initial decisions required of the Electricity Commission (the Commission) under the new Part F of the Electricity Governance Rules. The decisions relate to transmission contract structure and to counterparties (or “designated transmission customers”) under Section II of Part F.

The Report recommended retaining a single contract structure such that a unified agreement covers all Part F Transmission Services (connection, use of system/ interconnection, or such other disaggregated transmission

services as may be applicable). A separate contract would be entered with each counterparty. The counterparties would be physically connected parties, i.e. distributors, generators and direct customers. The contracts would include separate (optional) sections or schedules for services applicable to different categories of customers.

1.2.2 Concerns raised by the Commission

In considering the Report, the Commission raised concerns that the recommended contract structure and counterparties, and transmission contracts generally, may not adequately reflect the interests of end users (and retailers) in ensuring that Transpower is incentivised to take account of the market impact in the manner in which it manages the grid.

The nature, extent and priority accorded to any such concerns is not yet clear.

The GPS and Part F drive the Commission to consider efficient investment and operation of the grid, in a manner that best meets the long term interests of end use customers.

Grid performance can significantly affect wholesale electricity prices and the reliability of service to end users. Grid performance may cause retailers to incur unexpected and high costs. These costs over time can be expected to flow through to end users. End users could also incur costs if reliability standards are not met.

However, it is inherently difficult to determine exactly to what extent Transpower is responsible for such grid performance problems, compared with other events outside its control.

Distribution lines companies' and retailers' interests are also important, but ultimately, distributors and retailers are intermediaries whose direct interests are not always aligned with (or in some instances, may conflict with) the interests of end use customers.

Consistent with this focus on the end use customer perspective, it is a legitimate concern to ensure an appropriate level of performance for Transpower to minimise unnecessary energy price impacts and meet reliability standards.

The extent to which these concerns arise in the future is related to Transpower's proposals on grid augmentation, and associated Commission decisions. For example, any decisions to substantially augment the grid may result in a reduced level of concern. Alternatively, if decisions involve less substantial grid augmentation and promoting local generation or demand side alternatives, the level of concern may be maintained or increased, due to the lower level of spare capacity in the grid.

1.2.3 Transmission Working Group work

The former Transmission Working Group (TWG), established by the Electricity Governance Establishment Committee, identified transmission services definitions of which the following we understand may affect the cost and quality of service for end users and may be of concern to retailers:

- Transport Reliability
- Transport – Meet Offtake Demand
- Management of Outages
- Additional Services (including provision of special information and financial products including Financial Transmission Rights)

Further detail is set out in Attachment 2

For the purpose of this paper it is not necessary to determine whether the service definitions are appropriate, whether each of these services should be provided, the detailed scope of these services, or how they might best be addressed¹. These matters would need to be determined as part of subsequent work.

The key observation is that transmission reliability and potentially, also meeting offtake demand and outage management, may significantly affect the cost and quality of service for end users, and could be of concern to retailers. This is confirmed by international experience.

¹ For example, Financial Transmission Rights are to be addressed through rules set out in Section V. Provision of special information might be best provided through voluntary unregulated contracts.

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Factors affecting retailers' incentives

Our Report set out various factors undermining the efficacy of retailers in enforcing transmission performance compliance:

- The relative cost or benefit of transmission performance to any one retailer depends on its generation position and on its overall retail portfolio.
- Free riding and coordination problems arise.
- Retailers' incentives relate to current (usually short term) contracts with end users.
- The technical features of a transmission grid are complex and information asymmetry is high.

These factors are briefly restated as follows:

2.1.1 Generation position / location / retail portfolio

The relative cost or benefit of transmission performance to any one retailer depends on its generation position and on its overall retail portfolio. The following examples indicate the different incentives that might arise:

- If a retailer owns generation assets located in a constrained region and the generator can exercise market power, then the retailer/generator can benefit from high prices caused by a lack of reliability that results in transmission congestion.
- A retailer contracting with a generator located in the same region as its customers may have little concern about transmission performance.

- A retailer that is trading across a constrained part of the transmission grid that is being affected by grid performance issues may be very concerned with transmission performance.

2.1.2 Free riding and coordination problems

There are typically several retailers at a grid exit point. Because the grid is a common user facility, any action by one retailer (for example, to improve the physical management of transmission assets through enforcing compliance with performance standards in the transmission agreement) will tend to affect equally all retailers that are in a similar market position.

Thus there is the potential for free riding (if one retailer enforces compliance, its competitors may benefit). This is likely to reduce the incentives for holding Transpower accountable.

Further, if there are different interests amongst retailers (due to different generation positions, locational or retail portfolios) then this is likely to make it difficult for retailers to coordinate with each other.

2.1.3 Exposure to transmission performance

Retailers have no long-term exposure (under current regulatory and pricing arrangements) - they pass through transmission charges to end use customers. Retailers' incentives relate to current (usually short term) contracts with end users. However, efficiency in transmission is affected by both short and long term factors.

2.1.4 High degree of information asymmetry

The technical features of transmission grids are complex. Several factors affect network capability and performance. Events in one part of network often affect capability and performance in other parts. Transpower as asset owner and system operator can control some - but not all - of these factors. Thus, it will be complex and difficult to develop meaningful service measures, and standards or incentives that adequately account for all these factors. Negotiating with Transpower will require strong technical knowledge.

International experience indicates that retailers are likely to find it difficult in practice to overcome these information asymmetry problems.

Options

We have identified four options that could be considered to specifically provide for retailer and end use customer interests:

- If accepting the recommendation that distribution lines companies be the counterparty for Part F transmission contracts, then:
 - Give retailers/ customers rights using cascading contracts through interposed entities, or creating rights as identified beneficiaries through the Contracts (Privity) Act. (Option 1)
 - Address in the actual terms of the benchmark agreement, e.g. by terms requiring compliance with a separate binding procedure or protocol, that captures information flows or responses to requests to/ from retailers and customers. (Option 2)
- Make retailers the sole counterparty for services of concern, that is, stipulate that there be separate categories of transmission contracts for contracts with distributors, and contracts with retailers, and describe the general content of each. (Option 3)
- Explore incentive based regulation. (Option 4)

3.1 Option 1- Retailer rights through cascading contracts

In principle, rights could be reflected in a chain of contracts, providing for enforcement rights and information access/ obligations that appear in a Transpower–Distributor contract to be passed through right down to end use customers.

Alternatively, Commissioners have suggested that it may be possible to approve terms in the benchmark agreement(s) that enable use of the *Contracts (Privity) Act 1982* to create enforceable rights with retailers (and theoretically, customers) as beneficiaries.

3.2 Option 2 – Protocol referred to in benchmark agreements

The benchmark agreement terms developed by the Commission could include reference to a subsequent separate, binding protocol or procedure, possibly to be approved by the Commission, which creates:

- performance-based incentives on Transpower, for the benefit of all interested stakeholders
- obligations to consult with, inform, or respond to requests from retailers and customers (or a representative of customers)
- possibly a payment/ penalty regime, including mechanisms to ensure payment to disaffected retailers or customers.

A variation on this option is to include a 're-opener' in the contract terms that applies only if the Commission decides to initiate a performance based incentive regime.

One advantage of this option is that it allows other work to proceed, while retaining the ability to address incentive issues if or when more work is completed, when there is greater clarity on the need for (and nature of) any proposed incentive regime.

3.3 Option 3 - Retailers as counterparty for services of concern

This option involves a change from the contract structure recommended in our Report, to include both distributors and retailers as off take counterparties.

3.4 Option 4 - Explore incentive based regulation

Under incentive based regulation, in setting thresholds or implementing price control, (which involves approving of prices (or revenues) of the transmission company) the regulator (either the Commerce Commission or potentially the Electricity Commission) would also review or determine service quality measures and incentives.

4

Incentive regulation – International experience

4.1 Background

Regulation of revenues and service standards are generally considered together. Price regulation may create incentives for cost cutting leading to a reduction of service quality; alternatively, a service standard incentive that was too “powerful” may create incentives for gold plating.

This link between prices and service quality is recognised in the thresholds regime currently overseen by the Commerce Commission.

4.2 International experience

Our review of international experience indicates that incentives for transmission services that affect reliability and electricity pricing can be effectively established through incentive based regulation.

The following points highlight key features of incentive based regulation for transmission service quality in the UK and Australia that are relevant to New Zealand and the issues discussed in this paper.

4.2.1 England and Wales

Following the establishment of the UK electricity market, over the period 1990 to 1993, uplift costs doubled. The cost of network constraints (which are part of the uplift) quadrupled.

Retailers secured the co-operation of the National Grid Company (NGC) to address this problem and a voluntary incentive scheme was developed and implemented in 1994. The scheme sought to encourage NGC to take appropriate actions to reduce the cost of uplift payable by retailers.

In 1996, the incentive scheme was transferred to the regulator (OFFER) for further development and it has since been re-negotiated every two years, and changed to fit with a new market design.

The incentive proved very successful. Since the incentive has been in place, we understand the incentivised cost has reduced from £570m in 1993/4 to £203 in 2000/01.

It is understood the savings were achieved through a combination of:

- improved operation and maintenance scheduling and working practises
- greater use of dynamic line ratings
- development of better control systems and system monitoring, and
- greater use of generator and load inter-tripping schemes.

Prior to the implementation of NETA, there were four separate incentives:

- transmission services uplift (mainly the cost of transmission constraints, but also the cost of frequency responsive generation)
- reactive power (the cost of procuring reactive power)
- energy uplift (mainly the cost of demand forecasting errors and generation not performing as instructed), and
- transmission losses.

Each incentive is based on a “sliding scale” mechanism, with greater incentives (larger caps, collars and sharper sharing factors for those costs (transmission services uplift) over which NGC has greater control.

The UK experience highlights the following important points:

- The transmission company can address performance through a wide variety of actions.
- A well designed incentive scheme can be successful in encouraging the transmission company grid to change its management practices and take up opportunities for improvement.
- While the retailers played an important role in initiating the scheme, it was found necessary to transfer the ongoing administration of the scheme to the regulator.

There are, however, significant differences between the England and Wales market in the early 1990's, and the current New Zealand market, including:

- A significantly different UK market design, in particular single market clearing price (no nodal pricing) with uplift to pay for the costs of congestion. The market design imposed uplift costs on retailers in a way that does not occur in New Zealand.
- UK retailers at that time were not vertically integrated.
- The UK transmission grid was privately owned.

4.2.2 Australia

The Australian Competition and Consumer Commission (ACCC) regulates transmission companies pursuant to Chapter 6 of the National Electricity Code. The ACCC published service standards guidelines in November 2003 that focus on reliability of supply as the general measure of transmission service quality.

The guidelines state the ACCC would set an incentive for transmission network service providers (TNSPs) to maintain a high level of performance or reliability of supply. This was achieved by defining five measures of performance. These included:

- transmission circuit availability
- average outage duration
- loss of supply event frequency
- hours of intra-regional constraints
- hours of inter-regional constraints.

These measures of performance are to be used to set a benchmark target for each TNSP to maintain. The ACCC can then increase the revenue cap when performance increases and reduce the revenue cap when performance falls.

However, it was recognised that these performance measures do not capture other aspects of the service that TNSPs provide, in particular the market impact of transmission network performance.

The Ministerial Council of Energy's (MCE) recently reviewed these arrangements and stated that market based service standards incentives:

- would provide valuable customer and investor benefits in more closely aligning transmission performance measures with their market impact;
- should analyse the actual cost of constraints.

The MCE has directed that market related service incentives should be implemented in 2004. The ACCC is presently preparing a draft decision on a market based service standard design.

It should be noted that the Australian experience is still evolving - it is too early to judge the success of the service standard incentives.

Important learnings from the Australian experience are as follows:

- Implementation of service standard incentives was not an initial priority
- Incentives were symmetric (involving increased revenue for above benchmark performance and reduced revenues for poor performance).

- Initially the revenue at risk from the service standard incentive was a small portion of revenue (around 1%)
- These issues are highly complex. This is particularly so in Australia where there has been a significant increase in inter state trade over a relatively long sparse network; and there are several TNSPs and a separate market operator.
- While the ACCC has sought to involve industry working groups and provided opportunities for them to take the lead, it has had to assume a leadership role and invest significant time and resources in analysing and developing incentives.

Analysis of options

5.1 Options 1,2,3 - Retailer enforcing compliance

The effectiveness of the mechanisms under options 1, 2 and 3 rely on retailers enforcing compliance through benchmark agreements.

For the reasons outlined in section 4 above, reliance on retailers to enforce compliance through transmission agreements is unlikely to produce optimal results for end users.

Additional impediments with these options are as follows

Option 1 - Retailer rights through cascading contracts

The impediments to this approach include:

- 1 Complexity, timing and costs. Competing interests of individual stakeholders in the chain may cause unnecessary delays, reluctance to pursue remedies, or disputes over any associated agency arrangements and enforcement costs.
- 2 There is no clear chain of regulated contracts that flows down to the end use customer that would enable the Commission to ensure that rights and obligations passed appropriately down the chain. The distributor/ retailer/ customer contracting arrangements vary (e.g. interposed and conveyance arrangements), and the Commission's model agreements are not proposed as binding default contracts.
- 3 The customer group is large, and customers' interests are diverse. The relative negotiating position of an individual customer is weak compared with Transpower. For practicality, there would have to be some threshold, or customer representative entity (such as the Commission) that exercised a judgement as to whether or not a challenge was warranted.

Option 3 – retailers as counter parties

The Report recommended against multiple off-take counterparties because of:

- assumptions relating to the need for regulatory and contracting certainty, given that obligations flow from status as designated transmission customer
- the risks of duplication (double billing, or two entities capable of insisting on different standards at the one grid exit point)
- potential uncertainty or ambiguity over which party is required to enter a transmission agreement, or different arrangements at different connection points, that could cause confusion for downstream contracts and customers.

To give effect to this option, the Commission would need to break down the contract structure into defined components applicable to each category of off take customer (i.e. retailer or distributor).

Other disadvantages are

- Potential contracting and regulatory uncertainty.
- Timing – Detailed work on the exact services would need to precede the decisions on contract structure and counterparty.

5.2 Option 4 - Incentive based regulation

Well designed Incentive based regulation *can* overcome the weaknesses in options relying on retailers' incentives, and can better address information asymmetry problems. This assertion is supported by international experience, though there is a risk of regulatory failure and/or high costs.

On balance, we consider that Incentive Based Regulation is worth considering further.

However, before proceeding to develop and implement any regulated solution, policy makers would need to be satisfied that there is a significant problem to be addressed, and that regulation represents a justified response in cost/benefit terms.

Implementation issues

6.1 Threshold regime

The Commerce Commission is responsible for a targeted control regime², the purpose of which is “to promote the efficient operation of markets directly related to electricity distribution and transmission services through targeted control for the long-term benefit of consumers by ensuring that suppliers -

- (a) are limited in their ability to extract excessive profits; and
- (b) face strong incentives to improve efficiency and provide services at a quality that reflects consumer demands; and
- (c) share the benefits of efficiency gains with consumers, including through lower prices.

The Commerce Commission is required to set thresholds for the declaration of control in relation to lines businesses. This screening mechanism is to identify lines businesses whose performance may warrant further examination through an inquiry and, if required, control by the Commission.

At this stage, we have not analysed how an incentive based service standard could be implemented. We make the following observations:

- The scope and purpose of an incentive based transmission service standard regime appears fully consistent with the purpose of the targeted control regime.
- As discussed above, international experience indicates the development of a service standard is complex and is likely to require detailed industry knowledge. The Commission would appear best placed (given its role) to develop this knowledge.

² Section 57E of subpart 1 of Part 4A

6.2 Role of regulator and stakeholders

In the UK, the retailers initiated development of the incentive scheme, but it was found necessary after a time to transfer development to the regulator. In Australia, the responsibility for service standard incentives is a function of the regulator under the National Electricity Code.

This experience indicates that, at some point, a regulator (either the Commerce Commission or the Electricity Commission) is likely to need to take a lead role in directing and making decisions on the detailed design and implementation of an incentive scheme.

Success would depend on close involvement and support by Transpower, and effective stakeholder consultation.

6.3 Work required

If a decision was made to progress some form incentive based regulation, the work required to progress this would involve at least the following elements:

- developing appropriate service definitions or measures for Transmission performance
- putting in place performance measures (without an incentive initially), analysing the measures, and analysing past performance
- analysis, evaluation, stakeholder consultation, discussion/negotiation with Transpower and decisions on the design of mechanisms and incentives
- ongoing administration and compliance arrangements.

7

Summary and Recommendation

Grid performance can significantly affect energy prices and the reliability of service to end users. Retailers can experience periods where they may incur high costs as a result of performance issues on the grid. Generally, these costs flow through to end users. End users could also incur costs if reliability standards are not met.

The Commission raised concerns that the recommended contract structure and counterparties, and transmission contracts generally, may not adequately reflect the interests of end users (and retailers) in ensuring that Transpower is incentivised to take account of the market impact in the manner in which it manages the grid.

The concern with adequacy of incentives arises irrespective of whether the distributor or retailer is the counterparty.

The concern with ensuring an appropriate level of performance for Transpower to minimise unnecessary energy price impacts is a valid one, and is consistent with international experience, although the extent and priority of the problem in New Zealand will depend on various factors including decisions on grid augmentation.

Therefore, given its broader role in the development of regulatory policy, rules and regulations, it seems appropriate for the Commission to consider how best to provide incentives and/ or sanctions on Transpower to align its behaviour more closely with the interest of end users.

In our assessment, contractual options that rely on the incentives of retailers to behave in a manner that is aligned with the interests of end users are likely to be ineffective.

While the Commission is yet to determine:

- the nature and extent of problems
- the level of priority for addressing any concern, or
- what resourcing would be required to address concerns,

it is appropriate to assume that an effective mechanism that provides incentives and/or sanctions on Transpower to align its behaviour more closely with the interest of end users, may be justified.

We recommend that the Commission:

- a) explores the development of some form of incentive based regulated scheme including an assessment of the problems to be resolved
- b) considers how best to integrate such a scheme with the thresholds regime currently overseen by the Commerce Commission
- c) does not delay other work, but retains flexibility to implement such a scheme in the future, for example through 're-openers' or references in the terms of benchmark agreements.

Attachment 1 - GPS objectives

Government's policy objectives for electricity (as set out in the March 2004 draft version of Government Policy Statement) are as follows:

- 1 The principal objective of the Electricity Commission is to ensure that electricity is produced, delivered and used in an efficient, fair, reliable, and environmentally sustainable manner.
- 2 Consistent with this principal objective, the Commission should seek to achieve the following specific outcomes:
 - a energy and other resources are used efficiently
 - b risks (including price risks) relating to security of supply are properly and efficiently managed. In particular the Government wants the Commission to use reasonable endeavours to ensure security of supply in a 1 in 60 dry year, without assuming any reduction in demand from emergency conservation campaigns, while minimising distortions to the normal operation of the market;
 - c barriers to competition in electricity are reduced for the long-term benefit of end-users;
 - d incentives for investment in generation, transmission, lines, energy efficiency, and demand-side management are maintained or enhanced and do not discriminate between public and private investment;
 - e the costs of producing and transporting electricity are signalled so that investors and consumers can make decisions consistent with obtaining the most value from electricity;
 - f delivered electricity costs and prices are subject to sustained downward pressure
 - g the electricity sector contributes to achieving the Government's climate change objectives by minimising unnecessary hydro spill, efficiently managing transmission and distribution losses and constraints, promoting demand-side management and energy efficiency, and removing barriers to investment in new generation technologies, renewables and distributed generation.

The objectives in respect of transmission are as follows:

Transmission

Background

- 73 The way in which transmission services are provided and priced impacts directly and indirectly on all parts of the electricity industry, the economy and the environment. Transmission has strong natural monopoly characteristics, which makes it important that the Government sets out its policy expectations as to how transmission services should be provided and priced and how Transpower should operate. Poorly designed policies may,

for example, encourage inefficient investment in generation, which would waste scarce capital resources and harm the environment.

Objectives for the provision of transmission services

74 The Government's objectives for the provision of transmission services are that:

- the services are provided in a manner consistent with the Government's policy objectives for electricity;
- the services should be provided at the standards of power quality and grid reliability required by grid users as determined by the Electricity Commission;
- the efficiency of transmission services should be continuously improved so as to produce the services users want at least cost; and
- the services are priced in a manner that:
 - ◇ is transparent;
 - ◇ fully reflects their costs including risk;
 - ◇ facilitates nationally efficient supply, delivery and use of electricity;
 - ◇ promotes efficient investment in transmission or transmission alternatives; and
 - ◇ promotes nationally efficient use of transmission services by grid users.

Connection to and use of the national grid

75 The national grid is essential to all connected parties, and should be maintained and operated to a common set of grid reliability standards. These common standards should be embodied in grid rules that recognise the interconnected nature of the network.

76 Grid reliability standards should apply to agreements between Transpower and its customers dealing with connection to and use of the grid, investment planning (including replacement), transmission system design and construction, and transmission system maintenance.

77 The common standards for the grid should be determined by the Electricity Commission, following consultation with Transpower and grid users. The Electricity Commission should ensure that the interests of end-customers are properly taken into account.

78 Customers should have some flexibility over standards (which could be higher or lower than the norm), so long as the integrity of the core grid is not compromised. The Commission should ensure that arrangements are in place to protect the interests of third parties when Transpower and one of its customers agree to a local variation from common standards.

79 All transmission customers should be required to have a transmission agreement with Transpower, and the Commission should develop a benchmark agreement as a default if the parties are unable to agree.

Investment in and maintenance of the transmission network

80 The Electricity Commission should provide for the development of statements of opportunities. These would:

- (i) incorporate electricity demand and supply forecasts
- (ii) enable identification of potential opportunities for:
 - efficient management of Transpower's transmission network including

	investment in system expansions, replacements and upgrades;
	<ul style="list-style-type: none">• transmission alternatives (investment in local generation, demand-side management, and distribution network augmentation);
	(iii) facilitate long term planning for timely securing of easements and resource consents.
81	Transpower should submit grid upgrade plans to the Electricity Commission for approval. The grid upgrade plans should be consistent with statement of opportunity forecasts and demonstrate the rationale for all expenditure (operation, maintenance and capital), taking into account the prescribed reliability standards. The plans should demonstrate that the proposed expenditure is required to meet reliability standards and/or deliver the greatest net benefit after taking into account transmission alternatives. The Electricity Commission should ensure that Transpower's customers are fully consulted.
82	Where the Electricity Commission approves investment by Transpower, the cost of that investment should be recoverable by Transpower in accordance with the pricing methodology determined by the Electricity Commission.
Transmission alternatives	
83	As part of its consideration of transmission investments, the Commission should ensure that transmission alternatives are properly considered to the extent practicable.
84	The Commission should also undertake a policy review on whether there would be net benefits in providing for a mechanism whereby investments in transmission alternatives receive payments reflecting some or all of the value of avoided transmission investment. This is a complex subject, and the Commission will need to take into account, inter alia, practicalities, effects on incentives to invest in alternatives, and the extent of assurance that grid reliability standards will be met. The Government seeks recommendations on this matter by December 2005.

See also paragraphs 85 to 90 inclusive, which deal with cost recovery and pricing principles, and the timetable for transmission contract, pricing and investment decisions.

Attachment 2 - Potential Services of concern to retailers

The former Transmission Working Group established by the Electricity Governance Board identified a number of transmission services definitions of which the following may affect the cost and quality of service for end users and may be of concern to retailers.

Transport Reliability

- The degree of continuity of conveyance of electricity at a point of service
 - Extent of planned and unplanned interruptions
 - Extent of unserved energy % over a year
 - Extent of momentary interruptions
 - Provision of information about reliability performance

Transport – Meet Offtake Demand

- Meet demand, while maintaining agreed redundancy and voltage range
 - Extent to which:
 - Demand is met
 - Redundancy levels are met
 - Voltage range objective is achieved
- Provision of information about meeting Offtake demand

Management of Outages

- Outage protocol linked to the Transmission agreement
 - Publication of outage protocol
 - Manage outages in accordance with protocol
 - Establish and make material changes to protocol in consultation with DTCs

Additional Services

- Services that are optional but should be available
 - Provision of Special Information
 - Power system investigation, analysis and reporting

- Financial Products
 - Point to Point Guarantees
 - Financial Transmission Rights