

Approaches overview

Timely electricity
connections



Our Approaches

In June we released an issues paper outlining four possible approaches to improve the timeliness of negotiated electricity connections:

- A. Allowing distribution businesses to continue voluntarily reporting publicly on their performance relating to negotiated connections.
- B. Placing specific obligations on distribution businesses to publicly report their performance.
- C. Placing a general requirement on distribution businesses to regularly review and improve the way they manage the negotiated connections processes.
- D. Regulating the timeframes to undertake stages of the negotiated connections process.

Approach A – voluntary reporting

Continues current practice of reporting performance every six months:

Transparency and public accountability for stages of the negotiated connections process

Changing performance measures and targets relatively quickly without involving the commission

Distribution businesses could use performance reporting information in their negotiated connections policies or other publications

Developers may use this information in their planning processes

Senior management of distribution businesses would need to commit to ongoing performance measurement and public reporting

Approach B – regulated performance reporting

This approach extends performance reporting described in approach A:

Instead of the distribution businesses setting key performance indicators the commission would set to report against:

- could provide added transparency and certainty to customers

Establishing performance reporting requirements in the Electricity Distribution Code on:

- whether DBs completed stages within timeframes
- proportion target are completed within maximum timeframe

Penalties for not complying with these obligations to report publicly on performance, could be introduced

Approach C – regulating the way negotiated connections are managed

Aims to keep distribution businesses accountable for having appropriate management practices to support effective processes relating to negotiated connections.

Encourages continued engagement with the development industry to address root causes of issues,

An overarching obligation could be included in the Electricity Distribution Code

Complemented by separate guidance issued by the commission

Penalties could be imposed on distributors for not complying with these obligations

We could continually monitor performance and consider further regulatory intervention if warranted

Approach D – regulating timeframes

Key benefit of this approach is it would most strongly incentivise a distribution business to complete the stages or steps it, or contractors under its direct control perform within maximum timeframes

The commission considers there are two possible ways to regulate timeframes under this approach:

- Set maximum timeframes – distribution businesses must complete certain stages or steps of the negotiated connections process within a maximum timeframe.
- Set yearly targets – distribution businesses must complete stages or steps within a maximum timeframe, for all connections on average across a year

Negotiated connections processes are regulated by the National Electricity Rules – specifically, Chapter 5A of the National Electricity Rules

We will have regard to these rules when considering new requirements for distribution businesses under this approach

Penalties could be imposed – but these penalties would also need to be introduced by government

Next steps

Submissions due 7 August 2020.