



**ELECTRICITY INFORMATION EXCHANGE
PROTOCOLS (EIEPS)
2017 OPERATIONAL REVIEW
CONSULTATION PAPER**

**Submission in support of the proposal to make EIEP5A
mandatory (the file format used by distributors to
advise traders on the information relevant to planned
service interruptions)**

22 September 2017

**Electricity Retailers' Association of New Zealand
PO Box 25596 | Featherston Street | Wellington, 614**

Introduction

- 1.1 The Electricity Retailers' Association of New Zealand (ERANZ) welcomes the opportunity to submit on the Electricity Information Exchange Protocols (EIEPs) 2017 Operational review. This submission is only in relation to the proposal to make EIEP5A mandatory. EIEP5A file format is used by distributors to advise traders on the information relevant to planned service interruptions (outages). Members of ERANZ will be submitting on this point, and other proposed amendments to the Electricity Industry Participation Code 2010.
- 1.2 ERANZ was established in August 2015 to promote and enhance an open and competitive electricity market that delivers value to New Zealand electricity consumers. ERANZ represents Genesis Energy, Contact Energy, Mercury, Meridian Energy, Trustpower, Nova Energy, Pulse Energy, Prime Energy, Powershop, Black Box Power, Bosco, Energy Online, Just Energy, King Country Energy, Globug, Grey Power Electricity, Electra Energy, Powershop, Flick Electric Co., Wise Pre-pay and Tiny Mighty Power, equating to around 99% of the market by ICP count.
- 1.3 The issue of outages and how they are communicated is of much importance to electricity retailers. How outages are managed, in terms of advance warning and also restoration of supply, is a main area where the sector needs to demonstrate it can work together in a coordinated and beneficial fashion. It is a source of frustration and inconvenience for customers at the best of times, and good communication can go a long way to improving their experience when they are impacted by an outage. The importance of good communication is even more critical for Medically Dependent Customers and their families or support people.
- 1.4 The EIEP5A protocol provides for distributors to advise traders of planned service interruptions (outages); provide planned service interruption information to enable traders to record details in their customer information systems; and to notify affected customers where required to do so by the relevant UoSA (eg. direct connect customers).
- 1.5 A variety of formats are currently in use which requires a manual process to manipulate and interpret the information for processing in their systems which is time-consuming and inefficient for traders and for some direct-connected customers who also receive the files. Having differences, even slight differences, between the 29 distributors means that more resource has to be built into the traders' (and some customer's) processes to manage that. Standardisation of the EIEP5A format may allow for considerable operational efficiency, and even dynamic efficiencies to be built in to systems across networks to improve outcomes for consumers, as well as reduce risk in the sector.
- 1.6 In summary, ERANZ is of the view that mandating EIEP5A would:
 - a. deliver considerable operational efficiency across traders and networks;
 - b. enable traders to more easily automate notification processes ;
 - c. lead to more timely and accurate communications with affected customers; and
 - d. reduce the risks associated with planned outages (especially for MDCs).

2. A mandatory, standardised process meets EA objectives

- 2.1 ERANZ supports the proposal to mandate EIEP5A as it would support the aim of more efficient
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operation of the electricity system in New Zealand and support the below objectives of the Authority:

- a. consistency in reporting;
 - b. benefit to the customer – consistency in terms of the file format and contents will ensure that customers do not miss the notification especially when in the switching process;
 - c. promotes efficiency – will save time and money for traders as the current manual process is very inefficient; and
 - d. promotes accuracy – will give option to the all traders in automating the notification process which will eliminate room for errors.
- 2.2 Traders are currently dealing with a range of different file formats, mostly not too different to EIEP5A, but each difference requires workarounds to process into traders' customer information systems for the purposes of creating a record against the relevant customer installations, and for notifying affected customers where required to do so under the UoSA.

3. Mandatory adoption of EIEP5A will benefit consumers

- 3.1 We agree with the supposition that making EIEP5A mandatory could enable traders to more easily automate file uploads which will lead to more timely and accurate communications with affected customers. The current manual process has a potential safety risk if customers are not notified in time or missed out on notification. The manual manipulation of files by the traders has the for these errors to occur. The proposal to mandate EIEP5A would lead to accuracy and improve customer service.
- 3.2 We agree, that in addition to reducing the processing time for traders there would also be less opportunity for data to be misinterpreted which can have avoidable customer impacts, particularly where customers are not informed of rescheduled or cancelled planned service interruptions. Notification of outages by postage is slower now that NZ Post does not deliver every day. Public holidays or notifications at short notice can mean that a letter may be delayed, or not arrive until after the outage has occurred.
- 3.3 Traders must also bear in mind their obligations to customers under the Consumer Guarantees Act (CGS). Traders have the primary relationship with consumers, both through contract and under Part 7A of the CGA and can bear the customer relationship impact if communications for outages are not well managed. Even if the distributor is responsible for communicating the planned outage to the consumer (under the UOSA), lines companies would still need to advise traders of their affected ICPs for their records in case a customer misses on the notification and calls in to check with their trader. Especially because traders still have certain obligations in relation to the effects of outages on customers, such as the CGS and in relation to medically dependent customers.

4. Costs for traders in the current system

- 4.1 We appreciate there may be costs for distributors in changing their systems to meet the EIEP5A format. However, there are also costs borne by traders (and sometimes customers) through the lack of a standardized format. For example, a medium-sized trader has one staff member who works approximately half of each day processing outage notifications. The total cost is approx. \$50k per year (including the postage when mailouts are required, but excluding indirect costs). Times that across
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the whole sector. Cross-checking the files for a trader's ICPs is time-consuming and prone to errors (for example managing multiple files per day, original notifications, cancellations, and amendments). This seems an area ripe for automation, digitalisation and operational efficiencies.

- 4.2 In terms of notifications of planned outages, distributors must provide the information to traders at least 10 business days before the planned outage where the trader is notifying customers and 4 business days notice where the distributor is notifying customers directly. We can appreciate that circumstances require planned outages where the notice periods can be shorter however these should be the exception rather than the norm. There is no set time when the notifications come in by, therefore, traders must monitor the emails constantly to check if any new notifications have come in.
- 4.3 Other examples of sub-optimal communication include where networks put alternative dates in the same file, provide amendments to outage details in the email body rather than in the file, or cancellations appearing in the email subject line or body rather than in a file. All of these build in manual costs and increase risks.

5. Options

- 5.1 The Authority has sought feedback on two alternative processes that could assist distributors issuing outage notification, which would remove the problems noted above. Both options have pros and cons, and there is not a consensus view among ERANZ members as to which option is preferred. Individual members will submit on that particular point of the consultation.

6. Conclusion

We strongly support the EA's proposal to mandate EIEP5A as this will have efficiency gains for both traders and customers, and most importantly will reduce risk for loss of life due to an electricity outage. The more standardised the processes can become, the more opportunity for automation which will lead to smoother and more timely communication with the customer, particularly medically dependent customers.

Thank you for the consideration of this submission. We are happy to discuss any parts of this submission in more detail if required. If you have any queries, please contact Jenny Cameron at jenny.cameron@earnz.org.nz.

Yours sincerely



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