

Reference number(s)	020 – Alternative Certification for POC to the grid
Relevant clause(s)	Clause 32 of Schedule 10.7
Problem definition	<p>Clause 32 of Schedule 10.7 permits an ATH to certify a metering installation if the ATH cannot obtain physical access to test a measuring transformer at the metering installation. The clause lists various requirements that must be met before the ATH may certify the metering installation. This “alternative certification” can only be used once for a measuring transformer.</p> <p>The policy intent behind the use of alternative certification is for it to be used only for an ICP that is not an NSP. However, although clause 32 of Schedule 10.7 implies this, by requiring the MEP to update the registry,¹ the clause does not explicitly state this.</p> <p>The reason for this policy intent is that NSPs play a central role in the reconciliation and settlement processes, and in the pricing process in the case of NSPs connected to the grid. It is important that all NSPs are certified with an appropriate level of accuracy at all times.</p>
Proposal	The Authority proposes to amend clause 32 of Schedule 10.7 to explicitly state that alternative certification can only be used for metering installations at ICPs that are not also NSPs.
Proposed Code amendment	<p>Schedule 10.7</p> <p>...</p> <p>32 Alternative certification requirements for metering installation incorporating measuring transformer</p> <p>(1) <u>For an ICP that is not also an NSP, An ATH</u> may, if it cannot comply with the requirements of clause 2 of Schedule 10.8 due solely to its inability to obtain physical access to test an installed measuring transformer in a metering installation, certify the metering installation for a period not exceeding 24 months, if—</p> <ul style="list-style-type: none"> (a) the measuring transformer has not previously been certified under this clause; and (b) the ATH is satisfied, having made due enquiry, that the metering installation will comply with the applicable accuracy requirements as set out in Table 1 of Schedule 10.1; and (c) the ATH has advised the metering equipment provider responsible for the metering installation that this clause applies; and (d) the metering equipment provider has updated the metering installation's certification in the registry. <p>...</p>
Assessment of proposed Code	The proposed Code amendment is consistent with the Authority’s objective, and section 32(1)(c) of the Act, because it would contribute to

¹ Refer to clause 32(1)(d) of Schedule 10.7.

amendment against section 32(1) of the Act	<p>the efficient operation of the electricity industry.</p> <p>It would do this by clarifying the Code, to make it easier for participants to know they cannot use alternative certification for a metering installation at an NSP, even if that NSP is also an ICP. This should remove the possibility of participants incurring unnecessary transaction costs associated with an ATH wrongly using alternative certification for a metering installation at an NSP.</p> <p>The proposed amendment is expected to have no effect on competition or reliability of supply.</p>
Assessment against Code amendment principles	<p>The Authority is satisfied the proposed Code amendment is consistent with the Code amendment principles, to the extent they are relevant.</p>
Principle 1: Lawfulness.	<p>The proposed Code amendment is consistent with the Act, as discussed above in relation to the Authority's statutory objective and the requirements set out in section 32(1) of the Act.</p>
Principle 2: Clearly Identified Efficiency Gain or Market or Regulatory Failure	<p>The proposed Code amendment is consistent with principle 2 because it addresses a regulatory failure that may lead to market inefficiency, which would require a Code amendment to resolve.</p>
Principle 3: Quantitative Assessment	<p>Please refer to the assessment of costs and benefits in section 3 of the consultation paper.</p>
Regulatory statement	
Objectives of the proposed amendment	<p>The objective of the proposal is to ensure that alternative certification is used only for an ICP that is not also an NSP.</p>
Evaluation of the costs and benefits of the proposed amendment	<p>Please refer to the assessment of costs and benefits in section 3 of the consultation paper.</p>
Evaluation of alternative means of achieving the objectives of the proposed amendment	<p>The Authority has not identified an alternative means of achieving the objectives of the proposed Code amendment.</p>