

18 December 2020

Alec Findlater
General Manager Regulatory & Commercial
Aurora Energy Limited
10 Halsey Street
Dunedin 9016

By email only: alec.findlater@auroraenergy.nz

Dear Alec,

Response to Aurora Energy Limited's request for an exemption from asset management plan disclosure requirements

1. We refer to your letter dated 5 October 2020, in which you requested on behalf of Aurora Energy Limited (**Aurora**) an exemption from requirements to disclose a full asset management plan (**AMP**) before April 2021 (for the 2022 disclosure year (**DY**)). The requirements in question are set out in the Electricity Distribution Information Disclosure Determination 2012 (**ID determination**).¹
2. Instead, Aurora proposes to submit an AMP update before April 2021 (for DY2022), and a full AMP before April 2022 (for DY2023).
3. By this letter, we (the Commerce Commission) grant Aurora's exemption request for DY2022, subject to the condition described at paragraph 12 below.

AMP disclosure requirements

4. Under clause 2.6.1 of the ID Determination, before the start of each disclosure year beginning 1 April, every electricity distribution business (**EDB**) must complete and publish an AMP.
5. In certain years, EDBs are allowed to publish an AMP update instead of a full AMP.² This is illustrated in the table below.

¹ The most recent consolidated version is available on the Commission's website: [Electricity distribution information disclosure determination 2012 \(consolidated 3 April 2018\)](#).

² By clause 2.6.3 of the ID determination, an EDB may elect to submit an AMP update, provided that the disclosure year is: not one year after the start of the default price-quality (DPP) regulatory period, or two years before the start of the next DPP regulatory period.

	Before 1 April 2020	Before 1 April 2021	Before 1 April 2022	Before 1 April 2023	Before 1 April 2024
Publication of full AMP required (if 'x', AMP update allowed)	x	✓	x	✓	x
	DY 2021	DY 2022	DY 2023	DY 2024	DY 2025
	Default price-quality path regulatory period				

Request for exemption

6. Aurora has requested that the Commission allow it to submit an AMP update in 2021 (for DY2022) rather than a full AMP. Instead, it proposes that it will maintain availability of sufficient information to interested persons through publishing a comprehensive AMP in March 2022 (for DY2023).
7. We understand that Aurora has requested an exemption in light of its application for a customised price-quality path (**CPP**). Aurora submitted its CPP application to the Commission on 12 June 2020, which included a full AMP. The Commission is currently assessing Aurora's CPP application.³
8. Aurora's reasons for its exemption request are that:
 - 8.1 submitting a comprehensive AMP prior to 1 April 2021 would impose unnecessary costs to reproduce an AMP that will be materially unchanged from the 2020 AMP that accompanied its CPP application;
 - 8.2 publishing a full AMP carries the risk that it could be materially inconsistent with the Commission's final CPP determination;⁴ and
 - 8.3 preparing a comprehensive AMP is likely to distract from the significant work Aurora anticipates is needed to prepare reporting structures and processes to comply with the CPP reporting requirements expected in the CPP draft decision.

Exemption granted

9. We consider that the reasons Aurora has provided for its request, and proposal to disclose a full AMP for DY2023 instead of for DY2022, are reasonable and that granting it (subject to the applicable condition) will nevertheless promote the purpose of ID regulation.
10. We note that Aurora has provided comprehensive information in its 2020 AMP, and supporting information and models in its CPP Application. We also acknowledge that the Commission's final CPP determination may affect Aurora's AMP. As such, we expect that Aurora's proposal for an AMP update in 2021 (for DY2022) will provide sufficient information to understand what may have

³ More information is available on the Commission's website at: <https://comcom.govt.nz/regulated-industries/electricity-lines/projects/our-assessment-of-aurora-energys-investment-plan>

⁴ The Commission is expecting to release its final decision on Aurora's CPP by 31 March 2021.

materially changed since its 2020 AMP, as per the requirements under clause 2.6.5 of the ID determination.

11. As such, under clause 2.11.1(1) of the ID determination, the Commission grants Aurora the following exemption:
 - 11.1 an exemption from clause 2.6.3(1), which prohibits Aurora from completing and publicly disclosing an AMP update before 1 April 2021 (for DY2022) as the start of that disclosure year is one year after the start of the DPP regulatory period.⁵
12. The exemption is granted on the condition that Aurora completes and publicly discloses a full AMP before 1 April 2022 (for DY2023), in accordance with clause 2.6.1 of the ID determination.
13. For the avoidance of doubt, this means that Aurora may complete and disclose an AMP update before 1 April 2021 (for DY2022) instead of a full AMP, but must instead disclose a full AMP before 1 April 2022 (for DY2023). The effect of this is that Aurora will be required to prepare full AMPs for two consecutive years in 2022 and 2023 (DY2023 and DY2024 respectively). A full AMP is required in 2023 (for DY2024) under the ID determination, as illustrated in the below table.⁶ Aurora has confirmed this will not be a problem.

	Before 1 April 2020	Before 1 April 2021	Before 1 April 2022	Before 1 April 2023	Before 1 April 2024
Publication of full AMP required (if 'x', AMP update allowed)	x	✓	x	✓	x
Aurora's proposal ('✓' for full AMP, 'x' for AMP)	✓	x	✓	✓	x
	DY 2021	DY 2022	DY 2023	DY 2024	DY 2025
	Default price-quality path regulatory period				

Further information

14. This exemption may be revoked or amended by the Commission at any time in accordance with clause 2.11.1(2) of the ID determination.
15. A copy of this exemption response letter will be published on the Commission's website.
16. If you have any questions regarding this matter, please contact us at regulation.branch@comcom.govt.nz.

⁵ The DPP regulatory period began on 1 April 2020, and one year after the start of the DPP regulatory period is 1 April 2021.

⁶ Clause 2.6.3(2) of the ID determination.

Yours sincerely



Sue Begg
Deputy Chair