



Electricity Authority Work Programme

1 July 2015 – 30 June 2016

Contents

Executive summary.....	3
Introduction and purpose	5
1. Key regulatory projects	7
Programme: Competition in retail markets.....	7
Programme: Efficient pricing.....	10
2. Other outputs	11
Programme: Implementation projects	11
Programme: Competition in retail markets.....	13
Programme: Wholesale and ancillary services markets.....	15
Programme: Efficient pricing.....	18
Programme: Reliability.....	19
Programme: Fit-for-purpose market services.....	20
Programme: More efficient market operations	22
Programme: Compliance	26

Executive summary

The Authority's work programme details the projects we intend to progress during the 2015/16 financial year.

The programme is set out in terms of:

- 1. Key regulatory projects:** work that may result in significant new Code amendments or involves significant market facilitation initiatives. These projects could involve significant engagement with stakeholders. Table 1 details the key regulatory projects and whether they will be completed in 2015/16. Priority 1 projects are those listed in our *Statement of Performance Expectations* (SPE).
- 2. Other outputs:** includes market service improvement projects, implementation projects, other Code amendments and market facilitation measures (including operational projects to enhance consumer participation), post-implementation reviews, monitoring, information and education initiatives, market services projects, and compliance initiatives. Table 2 identifies the key market services and implementation projects as listed in the SPE.

Improving retail competition and enhancing the efficient operation of the electricity industry are our top priorities for 2015/16. We have several projects targeting improving retail competition including hedge market improvements, retail data and the *What's My Number* campaign. Projects to improve efficiency include the transmission pricing review and initiatives relating to distribution networks.

Wherever possible we pursue voluntary market facilitation measures rather than Code amendments. We are very mindful of the burden that additional Code provisions can impose on market participants and the value from evolving market arrangements over time rather than fixing them in the Code.

We remain flexible and responsive in the management of this work programme. Reprioritisation may be required during the year, for example if new projects may be required or if new information is available about a specific project. We will review and update this work programme on a regular basis, and summary reports on progress will be published four-monthly on www.ea.govt.nz.

Table 1: Summary of key regulatory projects from SPE (priority 1) and work programme

#	Priority	Project	Programme	Code completed in 2015/16 year?	Existing or new project?
1.1	1	What's My Number (WMN) campaign	Competition in retail markets	N/A	Existing
1.2	1	Retail data project	Competition in retail markets	Yes	Existing
1.3	1	Hedge market development	Competition in retail markets	No	Existing
1.4	1	Spot market refinements	Competition in retail markets	No	Existing
1.5	2	Default distribution agreement	Competition in retail markets	No	Existing
1.6	1	Transmission pricing investigation	Efficient pricing	No	Existing
1.7	1	Distribution pricing review	Efficient pricing	No	Existing
1.8	2	Research project: effect of low fixed charges	Efficient pricing	No	Existing
1.9	2	Part 6 (distributed generation pricing principles)	Efficient pricing	No	New

Table 2: Summary of key market service and implementation projects

#	Priority	Project	Programme	Completed in 2015/16?
2.1	1	National market for instantaneous reserve implementation	Implementation projects	No
2.2	1	Extended reserve arrangements implementation	Implementation projects	No
2.21	1	Renegotiation of the system operator service provider agreement (SOSPA)	Fit-for-purpose market services	Yes
2.22	1	Market operations service provider tender	Fit-for-purpose market services	Some implementation is expected

Introduction and purpose

Our planning documents

The *Statement of Intent* (SOI) and *Statement of Performance Expectations* (SPE) are required by the Crown Entitles Act 2004. Our SOI sets out our long-term strategic intentions for a four-year period. It is published at least once every three years.

Our SPE is a partner document to the SOI. The SPE details our planned work and financial forecasts for one year.

The work programme is a non-statutory planning document. It provides indicative information for stakeholders about projects for the next financial year. This work programme represents a full commitment of our resources. Any additional projects or changes to projects will therefore be carefully managed.

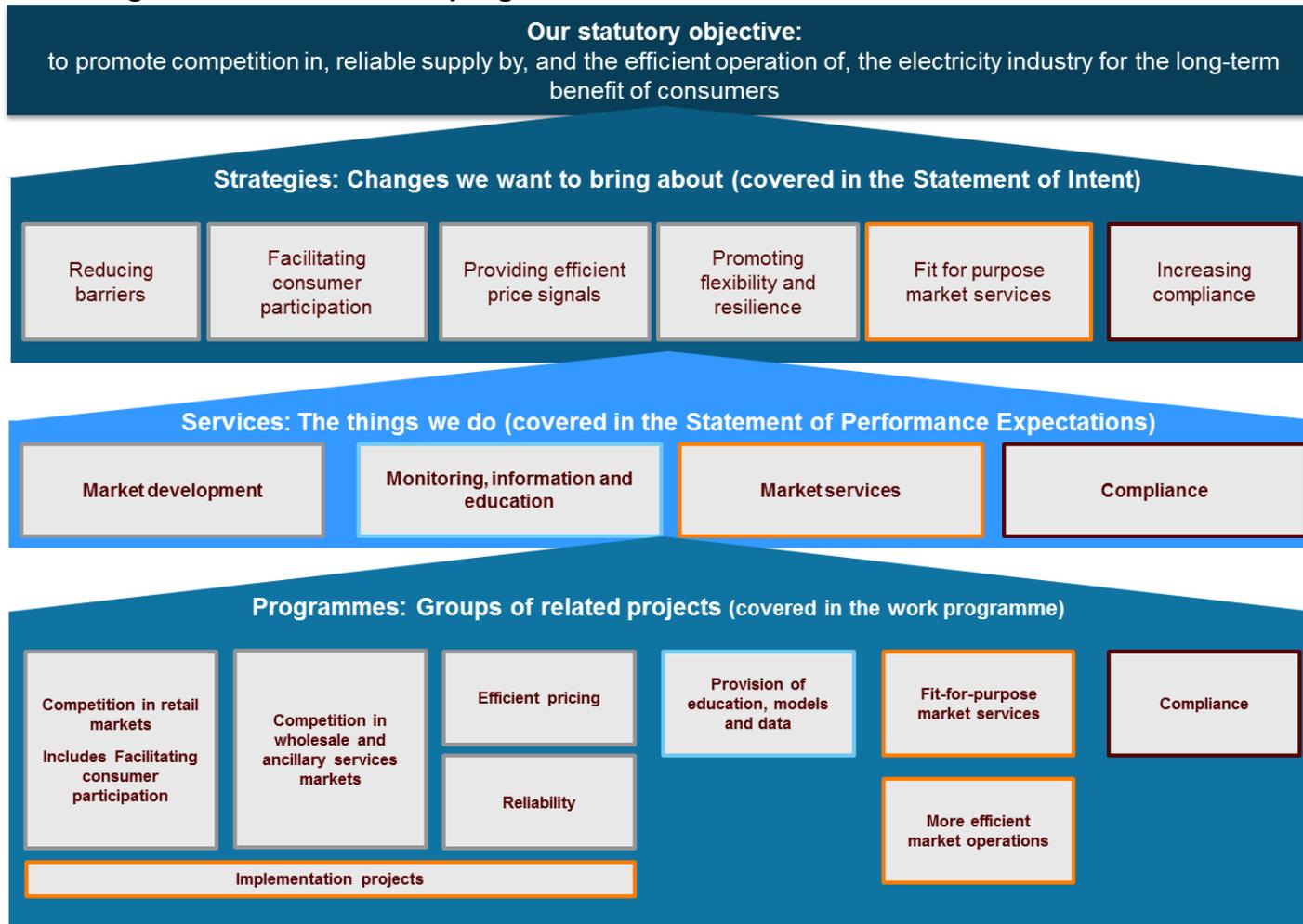
Figure 1: the *Statement of Intent*, *Statement of Performance Expectations* and work programme



Strategic alignment

Development of our work programme included consideration of input from stakeholders through our consultation on the 2015/16 appropriations and work programme, alignment with our strategy, and resource availability (including those of stakeholders and service providers).

Figure 2: our strategic framework and the programmes covered in this document



Contributions to our statutory objective

The work programme tables that follow indicate the links for each project to the competition, reliability and efficiency limbs of our statutory objective. The ticks indicate which limbs each project contributes to, not the magnitude of the impact expected.

Flexibility

We remain flexible and responsive in the management of this work programme. Reprioritisation may be required during the year, for example if new projects may be required, or if new information becomes available about a specific project. We will review and update this work programme on a regular basis.

Reporting

Summary reports on progress will be published four-monthly on our website.

1. Key regulatory projects

This section identifies projects that typically involve addressing policy issues about the market, and will generally result in significant Code amendments or market facilitation measures. This work will require significant consultation and engagement with consumers, generators, retailers and lines businesses.

Programme: Competition in retail markets

This programme includes initiatives to promote retail competition by reducing barriers to entry and expansion of retailers (the supply side) and by facilitating consumer participation (the demand side). Many of the supply side initiatives are in the spot, hedge and distribution segments of the market. The demand side initiatives are primarily about providing consumers with better access to information and tools to make choices between retailers. Part of the work in this area is funded from *Facilitating Consumer Participation (FCP)*. Work in this area is funded from a new funding approved in the 2014 Budget. The funding runs from 1 July 2014 to 30 June 2017.

The scope of the FCP work includes:

- raising consumer awareness about the benefits of switching using promotional activities such as the What's My Number campaign or similar

- improving consumer understanding, motivation and action by enhancing the tools available to consumers to seek and compare information, and switch retailers
- improving consumer understanding by making it easier to access appropriate and accurate information to compare retailers' offerings.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
1.1	1	What's My Number programme	This campaign - promotes the benefits of comparing and switching retailers.	We are seeking increased retail competition through increased consumer awareness of savings to be made by shopping around for electricity and that it is easy to switch.	Successful programme delivery as indicated by the annual monitoring survey for the 2015 calendar year.	✓	-	-
1.2	1	Retail data project	Consider options to promote retail competition by improving access to retail data.	We are seeking to increase consumer engagement by making it easier for consumers to access and share data and information. Improving access to retail data will enhance price comparison, product and service innovation, and retail market analysis and monitoring.	Implement Code amendment to allow consumers, or their agents, access to consumption data to come into effect in 2016. Decide on a direction for the provision of tariff and connection data to consumers and their agents, and commence implementation.	✓	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
1.3	1	Hedge market development	Investigating and making ongoing enhancements to the hedge market to ensure that it continues its upward momentum.	We are seeking to improve retail competition by providing market participants with greater certainty about forward price expectations, thereby enhancing decision making and promoting greater reliability and efficiency.	Progress enhancements for the hedge market, specifically: <ul style="list-style-type: none"> - consider enhanced market making arrangements for Australian Securities Exchange (ASX) products - evaluate if ASX positions can offset energy market prudential security requirements. 	✓	✓	✓
1.4	1	Spot market refinements	Further develop specific initiatives identified in the 2014/15 review of the spot market.	We want to reduce any barriers to retail competition arising from current spot market arrangements. Refinements to the spot market have the potential to enhance competition in both the hedge and retail markets.	Following from the high-level assessment of options completed in 2014/15: <ul style="list-style-type: none"> - identify spot market refinements for further evaluation - complete a detailed cost benefit assessment for all refinements being evaluated. 	✓	✓	✓
1.5	2	Default distribution agreement (previously called more standardisation of UoSA)	Look at making the MUoSA a default agreement. The objective of the project is to promote retail competition and efficiency in the electricity industry.	The current wide range of UoSAs inhibit retailer entry and expansion. Some terms within UoSAs also inhibit retailer entry and expansion within particular networks.	Initial consultation on the draft default distribution agreement by September 2015.	✓	-	✓

Programme: Efficient pricing

The programme seeks to improve the efficiency of spot market pricing in the wholesale market and develop appropriate arrangements for allocating the costs of transmission and distribution services.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
1.6	1	Transmission pricing investigation	Review of the transmission pricing methodology (TPM) to promote overall efficiency of the electricity industry	We are reviewing the current arrangements in order to better promote operational and investment efficiency in the transmission sector and the broader electricity market.	Complete consultation on options and issues relating to Transmission pricing. Develop a decisions and reasons paper.	-	-	✓
1.7	1	Distribution pricing review	A review to investigate efficient distribution pricing arrangements.	We are reviewing the current arrangements in order to achieve better operational and investment efficiency in the distribution sector and the broader electricity market.	Develop options and consult on a recommended approach for identified issues relating to distribution pricing.	✓	✓	✓
1.8	2	Research project: effect of low fixed charges	Retail Advisory Group (RAG) project to investigate the competition, reliability and efficiency effects of the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004.	Participants and some consumer representatives consider the LFC Regulations may be harming retail competition, innovation in the retail sector, and causing inefficiency in the retail and distribution sectors.	RAG Research paper completed. Recommendation paper ready for Board.	✓	-	✓
1.9	2	Part 6 (distributed generation pricing principles)	A review of Part 6 of the Code pricing principles, to ensure consistency and alignment with distribution pricing principles.	We will review the pricing principles to ensure that they are not preventing distributors from pricing and charging on a cost-reflective basis.	Scoping of problem definition and issues prior to developing consultation paper.	✓	✓	✓

2. Other outputs

Programme: Implementation projects

This programme covers the effective and efficient implementation of market development initiatives completed in previous years.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.1	1	National market for instantaneous reserve implementation	Implement a national market for instantaneous reserves to enhance wholesale market competition.	We are seeking to enable parties in the North Island to compete in the South Island and vice versa. We also expect efficiency gains as national markets are expected to reduce total procurement requirements.	Development of the national market completed. Commence implementation.	✓	✓	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.2	1	Extended reserve arrangements implementation	Implementation of the arrangements for the efficient procurement of load for extended reserve. Includes establishment of the extended reserve manager market operations service providers (MOSPs).	We are seeking more efficient provision and use of extended reserves.	Complete implementation of relevant milestones for extended reserve arrangements including for the extended reserve manager, system operator and clearing manager. It is anticipated that the development of the extended reserve selection optimisation model will be completed within the year, and consultation on the selection methodology and technical requirements schedule will have at least commenced. Implementation activities and commencement of operations are expected in 2016/17.	✓	✓	✓
2.3	2	Retail data implementation	Implementation of the initiatives resulting from the retail data project into service provider and participant systems.	See description of the retail data project above.	Subject to consultation, Phase 2 - access to metering and connection information - is expected to be undertaken in 2015/16. This may be wrapped into the registry retender as a 'new service', but the technical and functional requirements will need to be established regardless.	✓	-	✓

Programme: Competition in retail markets

This programme includes initiatives to promote retail competition by reducing barriers to entry and expansion of retailers (the supply side) and by facilitating consumer participation (the demand side). See full description on page 7.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.4	2	Consumer education programme	Public education about the performance of the electricity market and benefits that are delivered through a competitive market.	Improved information availability is expected to increase consumer awareness, understanding and motivation to participate in both the wholesale and retail markets.	Complete development of programme design and launch.	✓	-	-
2.5	2	Stress testing for consumers	Demonstrating spot price risk to consumers, especially residential consumers exposed to the spot market.	Highlighted through the appropriations consultation. There needs to be an investigation of whether consumers (particularly residential consumers) on spot pricing are fully aware of the risks.	Issues paper published.	-	-	-
2.6	2	Review of secondary networks	RAG project considering the competition, reliability and efficiency effects of secondary networks.	We want to remove unnecessary barriers to retail competition in secondary networks and promote efficient operation of the industry.	RAG discussion paper and recommendation paper completed.	✓	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.7	3	Review of data requirements to enhance retail competition and efficiency (previously called EIEP review)	Review of the data and data exchanges between participants (including service providers) to ensure that the right information is being provided at the right times, and at an appropriate level of accuracy, to ensure that retail competition is being facilitated and the market operates as efficiently as possible.	In recent years the retail market has seen increased levels of competition, the increased penetration of 'data-rich' smart meters, new retail product initiatives, an increase and diversification in customer service expectations and new market initiatives such as the Authority's retail data project. Some stakeholders have indicated that efficient data exchange is a key issue for them and that improvements in this area could greatly reduce transaction costs.	Scoping of problem definition and issues prior to developing consultation paper.	✓	-	✓

Programme: Wholesale and ancillary services markets

This programme includes projects enhance the wholesale market, in particular to:

- improve the process for offer and dispatch in the spot market
- improve the competition and efficiency in instantaneous reserves, frequency keeping, extended reserves and potentially other ancillary service markets.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.8	1	Demand side bidding and forecasting - impact review	Post implementation review of impacts and outcomes.	Evaluation of the impacts and outcomes of key projects is an important step in the regulatory process.	Complete post implementation review of the demand-side bidding and forecasting Code amendments that went live on 28 June 2012.	✓	✓	✓
2.9	2	Review of frequency keeping services	Review future frequency keeping service requirements with use of HVDC frequency keeping controls (FKC). This project combines what was referred to as national market for frequency keeping and normal frequency AOPOs in the 2014/15 programme.	Technical requirements for frequency keeping have changed with the introduction of FKC. Depending on the volume of national frequency keeping required there may still be benefits in introducing a national market for frequency keeping and/or introducing incentives for governor response.	Publish strategy as an information paper and consider submissions.	✓	✓	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.10	2	Review of instantaneous reserve markets	Undertake a fundamental review of the instantaneous reserve markets to reduce barriers and enhance performance. This was a WAG project in 2014/15, which resulted in recommendations to the Board in March 2015. The Authority is now progressing this work.	Current arrangements may create barriers for some and emerging types of instantaneous reserve. The Authority will consider options to reduce unnecessary barriers to increase competition and efficiency.	Report from the system operator to test findings with stakeholders. Dependent on the results indicating net benefits, develop and publish a consultation paper on high level options.	✓	✓	✓
2.11	2	Offer and Dispatch: review of gate closure and bid and offer revision provisions	Review of gate closure and the offer and bid revision provisions.	Reduced gate closure times should lead to more efficient use of resources and increased levels of wholesale market competition. Better bid and offer revision provisions will simplify the existing Code and clarify dispatch obligations.	Code amendment completed by March 2016.	✓	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.12	2	Inter-island instantaneous reserve sharing	A system operator initiative to use some of the increased capabilities of the new HVDC control system to reduce instantaneous reserves procurement costs in advance of the full national instantaneous reserves market implementation. A fast instantaneous reserves (FIR) solution is already live. Options for a sustained instantaneous reserve (SIR) solution are under investigation.	Stronger competition in the instantaneous reserves market from the interim arrangements is expected to reduce the cost of procuring reserves. The interim arrangements also facilitate the development of the full national instantaneous reserves market.	Implementation of sustained instantaneous reserves (SIR) sharing between the two islands in December 2015.	✓	✓	✓
2.13	2	Dispatchable demand-constrained on/off payments	Amend the Code to ensure dispatchable demand constrained-on/off payments provide the correct incentives.	We are seeking to encourage the efficient use of dispatchable demand.	Late-bid changes Complete Code amendment by March 2016. Price Infeasibility: solution developed and consulted on by June 2016	✓	✓	✓
2.14	3	Frequency keeping constrained on/off	Removal of constrained on/off from the frequency keeping selection methodology and from the frequency keeping cost allocation.	More efficient frequency keeping selection ensures that lowest cost providers are selected for each trading period.	Code amendment completed by 31 December 2015.	-	-	✓
2.15	3	Transpower demand response protocol management	Incorporate Transpower's demand-side response (DSR) into spot market and facilitate the completion of other elements of the Transpower demand response protocol.	We are seeking to increase the efficiency of Transpower's DSR.	Develop options on incorporating Transpower's DSR into the spot market.	✓	✓	✓

Programme: Efficient pricing

The programme seeks to improve the efficiency of spot market pricing in the wholesale market and develop appropriate arrangements for allocating the costs of transmission and distribution services.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.16	2	Instantaneous reserve event charge and cost allocation review	Improve the efficiency in allocation of instantaneous reserve costs and the event charge. Includes consideration of the costs of commissioning new generation.	Provide efficient price signals and encourage efficient use and supply of instantaneous reserve.	Develop options for instantaneous reserve event charge and cost allocation.	-	✓	✓
2.17	2	Transpower's proposed changes to current TPM	Transpower has completed an operational review of the current TPM. They have submitted proposals and the Authority is reviewing the proposals..	The Code requires us to consider TPM proposals submitted by Transpower provided there is not more than one proposal per 12 month period.	Code amendments completed by September 2015, if required.	-	-	✓
2.18	2	Why prices matter	A paper describing the importance of electricity pricing for consumers: how prices are formed, why prices should reflect costs, and the implications of inefficient price signals.	Supporting all pricing work the Authority is involved with by describing the importance of promoting efficient pricing from a consumer perspective.	Analysis and issues paper for the Board and possible consultation.	-	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.19	3	Wholesale market information	<p>Review of wholesale market information disclosure exclusions in Part 13 of the Code.</p> <p>Improved public access to fuel quantity information via market facilitation measures. Builds on initiatives recommended by WAG in 2012/13.</p>	Facilitates an active hedge market by enhancing the disclosure of information that influences the forward price curve. A more active hedge market assists with enhancing retail market competition.	<p>Initiate work on information disclosure provisions.</p> <p>Progress an information paper on options for fuel information (for publication in 2016/17).</p>	✓	-	✓

Programme: Reliability

This programme includes initiatives to improve the resilience (quality and reliability) of the electricity system.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.20	2	AOPO: fault ride-through	Review low and high voltage fault ride-through Asset Owner Performance Obligations (AOPOs) to ensure fit for purpose with the changing generation mix.	We're concerned that current arrangements may be creating uncertainty for asset owners, potentially harming reliability.	Complete Code amendment by 30 June 2016.	✓	✓	-

Programme: Fit-for-purpose market services

This programme includes the market operations service providers (MOSPs) and the system operator-provided systems and services that ensure effective market operation, increase market efficiency and facilitate market development.

In addition to the business-as-usual work in relation to operation of the electricity system and markets, we are carrying out projects to improve fitness for purpose and operational efficiency.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.21	1	SOSPA Review	A wide ranging review of the SOSPA arrangements, including: alignment of SOSPA objectives with s15 of the Electricity Industry Act 2010; development of a wider range of performance measures; improving capital plan and spending arrangements; addressing the impact of fee changes on levy payers; renegotiation of SOSPA.	We are reviewing the SOSPA to ensure that its arrangements bring appropriate commercial disciplines to the services being provided. We are also seeking to improve the system operator’s strategic alignment with the Authority’s statutory objective and market development programme. These improvements should enhance the operational efficiency and reliability of the electricity system.	Commence the transition to the new SOSPA and have the new SOSPA become fully effective from 1 July 2016. Complete any necessary Code amendments to give effect to the new arrangements.	-	✓	✓
2.22	1	Tender for WITS, pricing manager, reconciliation manager and clearing manager MOSPs	Tender for WITS, pricing manager, reconciliation manager and clearing manager MOSP roles and systems.	We want to ensure that services and systems remain suitable for evolving market requirements, can be developed in a timely and cost-effective manner and are suitably resilient to potential systems failures and outages.	New contract arrangements for pricing manager, clearing manager, reconciliation manager and WITS manager in place, or existing contracts renewed, effective 1 May 2016.	-	✓	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.23	1	Tender for registry MOSP	Tender for registry MOSP role and system.	We want to ensure that services and systems remain suitable for evolving market requirements, can be developed in a timely and cost-effective manner and are suitably resilient to potential systems failures and outages.	Tender process on target for new service provider arrangements to be in place by September/October 2016.	-	✓	✓
2.24	2	Systems access policies	Preparation of a WITS access policy incorporating NZX WITS use of systems agreement. Also includes review of the registry access policy ensure that it is facilitating competition while ensuring core Code requirements are being delivered.	We want to ensure clear information is available to participants on how they can access and use WITS and ensure that the WITS system performance requirements are not compromised by inappropriate use. We need to ensure that the registry is facilitating competition as well as Code compliance.	Complete the WITS access arrangements, including a Code amendment enabling the Authority to set terms and conditions for WITS access. Updated registry access policy published in 2015/16 (timing is subject to the completion of phase 2 of the retail data project).	✓	-	✓

Programme: More efficient market operations

This programme involves increasing the efficiency of electricity market operations through refining processes proscribed in the Code.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.25	2	Review of half hour switching process	Code amendment approved 27 June 2014 for a range of minor switching issues becomes effective in October 2015. A Board decision on an additional amendment is expected in June 2015. If approved, that change would also become effective in October 2015.	A review in 2013/14 identified several changes to the switching process for half-hour meters that would make the switching of these sites more efficient.	New Code becomes effective 9 October 2015. Necessary registry changes expected to be completed in 2014/15. 2015/16 activities include any necessary engagement with the registry manager and the industry to ensure the effective implementation and operation of the new arrangements.	✓	-	✓
2.26	2	Reconciliation loss factor methodology	Development of final recommendations for the calculation and management of distribution losses used in the reconciliation process, including completing and publishing industry guidelines and publish). Developing and publishing the approach to monitoring. Implementation of the guidelines.	Determination of distribution losses is important for the accurate operation of the reconciliation system, and to the accuracy of consumer pricing.	Complete review of consultation responses and publish the finalised guidelines.	-	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.27	2	Review of trader default arrangements for direct connected participants	<p>Review of certain operational aspects of the new settlement and prudential security (SPS) arrangements:</p> <ul style="list-style-type: none"> - review the post default exit period provisions within 12 months of new SPS regime coming into effect on 24 March 2015 - review the process for a large consumer to set up as a direct purchaser in the event of their retailer defaulting - establish a policy for considering shortened post-default exit periods. 	<p>We need to ensure that these operational aspects of the new settlement and prudential security regime are working in the manner that was envisaged when the Code was drafted. These actions were requested by the Authority Board in March 2015.</p>	<p>Reviews of post-default exit period provisions and process for large consumer to become a direct purchaser completed.</p> <p>Policy for considering shortened post-default exit period established and any applications received considered against the policy.</p>	✓	-	✓
2.28	3	Provision of interconnection asset capability information	<p>Remove incorporation by reference into the Code of interconnection asset capability information and have Transpower provide this information more actively through their website.</p>	<p>The version of the interconnection asset capability information that is incorporated into the Code will always lag behind the actual, current information, as it cannot be updated dynamically and is not easily accessible to interested participants. The information can be made available in other formats that are more useful to participants, while ensuring the intention of the Code is achieved.</p>	<p>Complete consultation on the necessary Code amendment and, if appropriate, gazette the amendment.</p>	-	✓	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.29	3	Part 10 operational review	Review of the operational elements of the new Part 10 of the Code (and relevant, related sections of other Parts of the Code) to ensure that the operation of the registry and its functions is efficient.	The new Part 10 introduced a number of new obligations and processes. The operation of the market has continued to evolve since this time, so we'd like to make sure these processes are as efficient as possible.	Complete analysis of issues and options, and commence Code amendment consultation process for relevant issues.	✓	-	✓
2.30	3	Review of Code amendment proposals for scarcity pricing	Review the Code amendments proposed by the pricing manager and take any necessary actions, including any necessary consultation.	The pricing manager has identified some potential issues with the scarcity pricing Code amendments that came into effect in June 2013. We need to review these issues to see if they might prevent the scarcity pricing regime from operating in the intended manner.	Review the Code amendments proposed by the pricing manager and take any necessary actions, including commencing any necessary consultation.	✓	✓	✓
2.31	3	Review of participant audit arrangements	The review of participant audit requirements in the Code to improve efficiency and align with good practice. Does not include MOSP audits.	We're reviewing audit requirements to improve efficiency and align with good risk management practice.	Complete consultation on recommended changes to audit regime, and commence any necessary implementation.	-	-	✓

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.32	3	Livening and energisation guidelines	Completion and publishing of the livening and energisation guidelines. The development of the guidelines was commenced under the project to implement the new Part 10 of the Code but was not completed as other projects had higher priority.	We need to ensure that all relevant participants understand their Code obligations regarding the livening and energisation of ICPs. There have been observations that there may be misunderstandings in this area with consequences for Code compliance.	Complete the guidelines and undertake any necessary follow-up education (such as recommending that participants review and update their business processes). To be discussed at Reconciliation Participant Forum on 23 June 2015.	-	-	✓
2.33	3	2015 Code amendment omnibus [name changed from 2014/15]	Minor Code amendments to address operational or other market efficiency issues that arise during the year.	We need to ensure that the operational aspects of the Code are achieving the most efficient outcomes.	Specific Code amendment proposals were identified during 2014/15 and are now under investigation. Consultation and a final Code amendment are expected to be completed in 2015/16.	-	-	✓

Programme: Compliance

Compliance plays an integral role in ensuring the integrity of the electricity market by enabling compliance by the industry with the Act, regulations and Code. We take a risk-based and proportionate approach to compliance recognising that most industry participants want to comply with their regulatory obligations voluntarily, or can be encouraged or induced to do so. Our focus is on facilitating voluntary compliance by providing information, education, encouragement, and assistance. However, serious compliance matters are formally investigated and may be subject to enforcement action.

#	Priority	Project	Description	Why we are doing this project	Scheduled timeframe 2015/16	Contribution to statutory objective		
						Competition	Reliability	Efficiency
2.34	2	Participant education	Educate participants on the operation of the Code, the market, and market systems and processes.	We need to ensure that participants can obtain the information necessary to enter and participant in the market, that this information is accurate, and is presented in an accessible and easy-to-interpret form.	A pilot of web-based tool for presenting the material currently included in guidelines is expected to be completed in June 2015. If successful, further development of that tool will continue into 2015/16. Ongoing participant education including training sessions and workshops on specific topics.	-	-	✓