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Genesis Energy Limited

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13 August 2015

Carl Hansen  
Electricity Authority  
2 Hunter Street  
WELLINGTON

By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear Carl

## Shortened Gate Closure and Revised Bid and Offer Provisions

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Genesis Energy Limited welcomes the opportunity to provide a submission to the Electricity Authority ("the Authority") on the consultation paper "Shortened Gate Closure and Revised Bid and Offer Provisions" dated 26 June 2015.

We agree with the Authority's proposal to reduce the gate closure to one hour. A shorter gate closure will increase efficiency and allow participants to better respond to changing circumstances.

Our specific responses to your questions are set out in the Appendix.

If you would like to discuss any of these matters further, please contact me on 04 830 0013.

Yours sincerely

A handwritten signature in blue ink, appearing to be "R. Plachecki".

Rebekah Plachecki  
Regulatory Advisor

## Appendix: Responses to Consultation Questions

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QUESTION	COMMENT
Q1: Do you have any comments on the existing provisions in Chapter 2 of this paper?	No.
Q2: Do you have any comments on the problem definition relating to gate closure?	No.
Q3: Do you have any comments on the problem definition relating to the way gate closure and grid emergency provisions apply to bids?	No.
Q4: Do you have any comments on the problem definition relating to requirements on intermittent generators to submit persistence-based forecasts in the last two hours?	No.
Q5: Do you have any comments on the problem definition relating to the drafting issues with re-offer provisions?	No.
Q6: Do you have any comments on the problem definition relating to grid owner reporting of late updates?	No.
Q7: Do you have any comments on the problem definition relating to the cancellation of bids?	No.

QUESTION	COMMENT
Q8: Do you consider that the proposed Code amendments would carry a risk of unintended consequences? If so, what are they?	No.
Q9: If you are a generator or a dispatchable load purchaser, can you quantify the extent to which one-hour gate closure would allow you to reduce your cost of production? Please supply supporting evidence.	We are unable to quantify at this time.
Q10: Do you have any other comments on the costs and benefits of the proposed Code amendment?	No.
Q11: Do you agree that the proposed Code amendment will better meet the objectives than the status quo? If not, why not?	Yes, we agree.
Q12: Do you prefer the proposed Code amendment or Option B which would use a subjective structure for revising offers? Please explain.	We prefer the proposed Code amendment. We do not think that the other options are real alternatives.
Q13: Do you prefer the proposed Code amendment or Option C which would use the structure for revising offers proposed by AEMC? Please explain.	See above, question 12.
Q14: Do you prefer the proposed Code amendment or Option D which would reduce gate closure restrictions in an alternative way such as providing more exceptions, moving to half-hour gate closure, or removing gate closure completely? Please explain.	We prefer the proposed Code amendment. Total removal of gate closure or a move to half-hour gate closure would limit flexibility.

QUESTION	COMMENT
<p>Q15: Do you consider that the proposed Code amendment in Section 4 is preferable to the status quo and other options? If not, please explain your preferred option(s) in terms consistent with the Authority's statutory objective.</p>	<p>Yes, the proposed Code amendment is preferable.</p>
<p>Q16: Do you consider that the proposed Code amendment in Section 4 complies with section 32(1) of the Act, and with the Code amendment principles, and should therefore proceed?</p>	<p>Yes.</p>
<p>Q17: Do you have any comments on the drafting of the proposed Code amendment in Section 4, which is included in Appendix A?</p>	<p>Clause 13.19(2) should be deleted. It may not be efficient for a generator to submit a revised offer as soon as possible. Depending on the circumstances; they may prefer to re-offer outside gate closure.</p>
	<p>Clause 13.101(1)(b) should include the word "in" as follows: "a generator that reduced the MW specified in any price band in any offer."</p>