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Speak to one of our team
0800 668 236
7.30am to 7pm - Monday to Friday

23 August 2016

Submissions
WAG Chair
Electricity Authority
PO Box 10041
Wellington 6143

By email: submissions@ea.govt.nz

Dear John

Re: WAG discussion paper: Wholesale Information: Review of disclosure exclusions

Thank you for the opportunity to participate in this consultation.

Given the inherent uncertainty of the impacts and effect of the alternative options discussed, Nova recommends taking a cautious approach to the changes, and reviewing those and potentially making further changes later if necessary. In particular, Nova supports the other proposed market facilitation measures, including automated processes, and making OATIS gas information available (although any investment in that realm needs to be carefully considered in the context to any potential changes to the OATIS system).

We provide our responses to the WAGs questions in the attached appendix.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely

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Nova Energy's response to questions

Question No.	General comments in regards the:	Response
Q1.	What comment do you have on the WAG conclusion that the existing WMI disclosure regime could be enhanced if concerns with exclusions (b) and (g) could be addressed in a cost-effective way?	Cost effectiveness is not Nova's primary concern with the proposed amendments. Nova is concerned that the proposed broadening of the Market Participant's disclosure obligations will not achieve the EA's intended effect as they will not be enforceable against all relevant parties – for example the gas market participants, such as Shell, OMV, Greymouth Petroleum and Origin Energy. The uneven application of the disclosure requirements has the potential for unintended consequences.
Q2.	What comments do you have on the WAG's assessment of these Code amendment options?	No comment.
Q3.	What comments do you have on the potential benefits, risks and costs of each option?	We agree that simply removing the Commercial Disadvantage (CD) exclusion would potentially have significant unintended consequences and alternative constructs need to be considered in preference to that.
Q4.	What is your preferred option, and why?	Nova favours adding the Good Conduct provision in the first instance. This also lends itself to further assessment and review in two or so years to see if the CD exclusion needs to be enhanced by a Reasonable Person provision.
Q5.	What comments do you have on the possible market facilitation measures the WAG has identified?	Nova fully supports implementing the proposed market facilitation measures. Enhanced disclosure is only of value to the extent that users find the information readily accessible; and disclosing parties are more inclined to release information if that process is relatively straightforward, even if the information itself is quite significant to the market.
Q6.	Are there other market facilitation measures that should be considered?	It would be useful if users of market information could create filters and automated alerts within POCP so that they can be confident of picking up on key market changes or events. That may be complex to set up initially, but the process itself would assist in helping make the information more useful to users. That process would also provide valuable information about the size and level of market information that users wish to be fully informed on. The alternative is that users create and rely on their own systems to highlight relevant events, but that is not necessarily available to users with limited resources.