



MAJOR ELECTRICITY USERS' GROUP

3 October 2017

Avi Singh
Administrator Market design
Electricity Authority
By email to submissions@ea.govt.nz

Dear Avi

Consultation Paper – Review of disclosure regime

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority consultation paper "Wholesale market information: Review of disclosure regime" 8 August 2017.¹ We appreciated and found useful a conference call organised by the Electricity Authority on 22 September to allow MEUG members to discuss with staff from the Electricity Authority, System Operator and Concept Consulting the applicability of the proposed changes to large grid connected customers and embedded customers subject to the disclosure regime.
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. The last submission by MEUG on this topic was in August last year with a submission to the Wholesale Advisory Group (WAG). We prefaced submissions on WAG's specific questions as follows:

"MEUG welcomes the Electricity Authority requesting WAG to review the disclosure exclusions in cl. 13.2A because at least one of those exclusions, namely (b) "commercially disadvantage", has been questionable for some time. Removal of that clause is supported. Other changes are not supported until quantification of the qualitative views in the paper can either confirm or not that analysis."²
4. This submission:
 - a) Re-affirms our concerns with the use of the "commercially disadvantage" exclusion as noted in paragraph 3 above;

¹ URL <http://www.ea.govt.nz/dmsdocument/22417> at <http://www.ea.govt.nz/development/work-programme/risk-management/wholesale-market-information-clause-13-2-and-fuel/consultation/> .

² <http://www.meug.co.nz/node/795>, paragraph 3.

- b) Confirms MEUG's agreement with the proposal to replace the "commercially disadvantage" exclusion with the exclusion whereby "a reasonable person would not expect the disclosure information to be made readily available"³; and
 - c) Confirms MEUG's agreement to replace "immediately" with "as soon as reasonably practicable" in cl. 13.2(2).
5. The cost-benefit-analysis supporting the proposed change is qualitative.⁴ In our submission to WAG last year we were reluctant to agree any changes until a quantitative analysis had been completed. Though not ideal, we accept in this case that based on the qualitative analysis the likely outcome will have a net benefit. We are also persuaded to accept the changes because the Authority and System Operator have and we believe will continue to support the industry in understanding how to implement the proposal to act as a "reasonable person". The sense we have is that neither wishes to add unnecessary compliance costs onto market participants.
6. One of the topics discussed on the conference call on 22 September was the role of the planned outage co-ordination process (POCP) as a vehicle for informing the market. We will be taking up an offer by the System Operator to discuss how MEUG members might more actively engage in POCP.

Yours sincerely



Ralph Matthes
Executive Director

³ EA consultation paper, appendix A, new cl. 13.2A(2)(ba) to replace (b).

⁴ Ibid, paragraph 8.8 to 8.30.