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Electricity Authority
By email: submissions@ea.govt.nz

Market enhancement omnibus

Genesis Energy Limited (**Genesis**) welcomes the opportunity to provide a submission to the Electricity Authority (the **Authority**) on the consultation paper *Market enhancement omnibus* (the **consultation paper**) dated September 2018.

Broadly, we support the Authority to engage with industry in an omnibus format, but we do note this requires participants to consider a range of issues, some of which are intrinsically linked; others entirely unrelated, concurrently. This can put a strain on resources, particularly when there are other industry consultation processes underway. This may limit the quality of engagement, and we encourage the Authority to be mindful of this when planning for its next omnibus.

In our responses on the *Switch process review* section we commented that a number of the issues raised are related and should not be resolved in isolation so as to avoid unintended consequences. We also note that many of the issues in this section have arisen as the competitive market has developed to offer increasingly differentiated, innovate products and services for the benefit of consumers.

In our view, and that of the Switch Technical Working Group (**STWG**), the switch process needs a holistic re-think to both resolve these issues, and provide for further industry change. This is consistent with the Authority's role as regulator to ensure the regulatory framework can strike the right balance between allowing innovation to develop within the bounds of existing rules, and responding when market failures are identified.

We have provided comments in the appendices attached on the *Access to WITS and the registry*, *Switch process review*, *Integrating hosting capacity into Part 6 for low voltage networks*, and *Review of metering and related registry processes* sections of the consultation paper. We note that for the questions relating to access to WITS, we are comfortable with the proposed changes in principle, subject to legal review. If you would like to discuss any of these matters further, please contact me by email: margie.mccrone@genesisenergy.co.nz or by phone: 09 951 9272.

Yours sincerely

A handwritten signature in black ink, appearing to read "McCrone".

Margie McCrone
Senior Advisor, Government Relations and Regulation

Appendix A: Access to WITS and the registry

QUESTION	COMMENT
Q1: Do you agree that compromising the operation of WITS or the registry could have serious implications for the efficient operation of the New Zealand electricity market? If you disagree, please provide reasons.	Yes. ¹ That said, the consultation paper does not appear to consider that the registry has a fast switch over disaster recovery that would limit any operational outage that would have implications for the market.
Q6: Do you agree with our proposal to amend the regulation of access to the registry? If you disagree, please provide reasons.	Yes.
Q7: Do you agree with the proposed improvements to the drafting of clause 11.28? If you disagree, please provide reasons.	<p>No, as per the following comments and <u>suggested amendments</u>:</p> <p>The Code</p> <p>(2)(b) We are concerned there is no protection for a participant against being unjustifiably suspended, or any avenue to dispute outcome. This should be addressed.</p> <p>(2AA) We are concerned that the current drafting of the section allows the Authority to make unilateral changes to a system that is central to industry compliance that may result in unreasonable costs to businesses, which will ultimately be paid by consumers. The Authority should be required to consult on any proposed changes; the wording could read, ‘...from time to time, <u>and after consultation</u>...’</p> <p>The Policy</p> <p>2. ‘The registry facilitates <u>ICP</u> switching and reconciliation...’</p> <p>2.1 ‘The registry is a...mechanism for processing the switching of <u>ICPs</u> between <i>traders</i>...’²</p> <p>2.5 and 4.2(iii) appear to be in conflict as one of the purposes of connection data API is to supply information to present offers to customers. The intent of these clauses should be clarified.</p>

¹ As per the cover letter, we support proposed changes to WITS access in principle, but this is subject to legal review.

² We note the role of the registry is to switch ICPs, not customers. This is an important distinction that is in fact called out in the Switch Process Review section of the consultation paper.