

14 April 2025

Electricity Authority
P O Box 10-041
Wellington

By email: market.making@ea.govt.nz

Dear team

Re: Market Making Consultation Paper

Flick welcomes the opportunity to make this submission on the Electricity Authority's (the Authority) consultation paper that proposes to let the urgent Code amendment relating to market making expire.

Flick supports the Authority's position, based on its analysis of events around and subsequent to winter 2024, that the urgent Code amendment should not become permanent.

Flick acknowledges the importance the Authority is now placing on maintaining the liquidity required by market participants to manage wholesale risk, especially during times of market stress. The following statement by the Authority sums this up:

"Market making is a vital service for the effective functioning of the futures market. Market makers improve access to contracts in the market, which supports liquidity and price discovery. To meet the Authority's goals of a robust forward price curve and available risk management tools, the Authority needs market makers to reliably provide these services. This is especially important during times of market stress, when prices in the spot and futures markets are increasing rapidly."

Nothing in this submission is confidential.

Yours Sincerely



Nazzareno La Gamba
Head of Energy Retail Solutions