



18 February 2025

Electricity Authority

By email to: operationsconsult@ea.govt.nz

Tēnā koutou,

Response to 'Improving access to thermal fuel information clause 2.16 information notice'

Thank you for the opportunity to respond to the Improving access to thermal fuel information notice.

As one of the three major thermal generators in New Zealand, we are very supportive of measures that increase the electricity market's ability to communicate and understand risk. Security of supply is at the forefront of our strategy, as we build new renewable generation with the intention to retire thermal assets. An example of this is our decision to keep the Taranaki Combined-Cycle (TCC) plant available for the upcoming winter in support of New Zealand's security of supply.

We support the Authority's proposal to publish data on thermal volumes and for the market to have a clearer and more up-to-date view on energy risk. As mentioned in the consultation paper, we already disclose much of this information via other formats, being the NZX, our Operating Reports, the GIC website and data sharing with Transpower.

However, we are conscious that as a downstream user of natural gas, our data can only provide limited insights. As a contracted party we are only able to represent what our suppliers have shared with us and have little control on the production and supply of gas until our forecasts are changed. Placing a requirement on us to speculate on deliverability raises substantial risk that the market is misled.

To have a greater understanding of energy risk, a stronger focus on upstream supply is essential to better represent the availability of potential energy and critically identify, as it pertains to gas, the associated downside risks that are clearly prevalent in New Zealand. We believe MBIE today have the capability to collect this information during annual reserves assessments and should work to categorise and quantify those risks in that process, and that working alongside the EA it should be able to provide a summary of both a base and downside supply scenario to the wider electricity sector. Ensuring the sensitivities of gas forecasts are better characterised by upstream suppliers, and sharing this information enables downstream users enables all parties with a vested interest to better manage energy risk.

Furthermore, we would strongly encourage consolidation of information requests across government / state-owned agencies. There is a duplication of data being sought by various parties. A consolidation would greatly reduce costs by standardising data formats and reducing contextual responses that are often necessary to understand data requests. Our view is that the Electricity Authority should play the lead role in this aggregation of this



information as it pertains to the electricity sector and this critically follows an improved process implemented at MBIE during the annual reserves assessment process.

We provide detailed responses to the consultation questions below.

Please contact me at brett.woods@contactenergy.co.nz if you wish to discuss further.

Ngā Mihi

A handwritten signature in blue ink, appearing to read "Brett Woods", written in a cursive style.

Brett Woods

Head of Regulatory and Government Relations

Contact Energy.

Appendix B Format for submissions

Submitter	Contact Energy
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Questions	Comments
Q1. Do you agree the issues identified by the Authority are worthy of attention?	Yes
Q2. Are there any other areas that the Authority should consider to ensure that all information relevant to the supply and demand outlook (including risks) is up to date, comprehensive, collated and presented in an integrated manner readily accessible to all stakeholders?	While perhaps not within the Authority's remit, however a better representation of upstream supply, and critical the relevant risks to that supply is worth pursuing. If MBIE, the GIC and EA can then work together to aggregate this as base case and then downside gas supplies then electricity market participants are better informed on both most likely supply and associated risks to supply.
Q3. Are there any other relevant information disclosure arrangements that the Authority should consider?	Yes, as per above we recommend strengthening the annual 2 P reserves assessment process currently undertaken by MBIE to focus in on risks to supply and downside scenarios that may result in the market.
Q4. Do you agree with the Authority's assessment of the problem with disclosures about thermal fuel availability?	Yes
<i>Solid Fuels</i>	
Q5. Do you have any comments on the provision of solid fuel information?	We are supportive of the publication of solid fuel information. We would recommend that both currently stored and in transit solid fuel information is provided to effectively match gas fuel disclosures (that is a view of forward fuel availability and current stored volume) Contracts like Option arrangements should be disclosable in the same manner.

Q6. Do you consider that any of the information proposed to be collected on solid fuel is confidential, and if so, why?	The commercial terms including price and other costs should remain the confidential information of the buyer. The market need is for the ability to understand volumes.
Q7. Is there any other information related to solid fuel the Authority should consider collecting?	
<i>Gas storage</i>	
Q8. Do you have any comments on the provision of gas storage information?	
Q9. Do you consider that any of the information relating to gas storage is confidential, and if so, why?	
Q10. Is there any other information related to gas storage that the Authority should consider collecting?	
<i>Contracted gas information</i>	
Q11. Do you have any comments on the provision of contracted thermal fuels information?	As per our earlier response, there can be material downside risk evident in production forecasts supplied from the upstream industry that is not surfaced through MBIE's annual reserves process. This occurrence of these downside scenarios has a material effect on the electricity market and thermal unit commitment decisions. We recommend changes to the MBIE Annual Reserves assessment process to outline these risks in the submissions and then the aggregation of these to be reported to the market by the EA alongside MBIE.

Q12. Do you consider that any of the information proposed to be collected on contracted gas supply is confidential, and if so, why?	
Q13. Is there any other information related to contracted gas information the Authority should consider collecting?	
<i>Gas transaction information</i>	
Q14. Do you support the provision of gas transactions information? If not, why not?	Yes, however it is difficult for us to accurately capture the date a trade was agreed within our system supplied via third party. Some deals setup have contracted daily volumes, while others enable spot trading throughout the year - without contracted volumes. We do not have a field that is able to capture this data accurately.
Q15. What impacts would monthly reporting of transaction information have on your organisation?	
Q16. Would you support the provision of weekly summary data instead of daily data? If so, why?	
Q17. Do you consider that any of the information proposed to be collected on gas transactions is confidential, and if so, why?	We beleive price and counterparty should be kept confidential.
Q18. Is there any other information the Authority should consider collecting?	
<i>Diesel</i>	
Q19. Do you support the provision of diesel information? If not, why not?	We are comfortable providing stored diesel data if that is considered necessary. Similarly to gas and solid fuel, for this to be successful a wider data reporting process to indicate currently levels of stored diesel across New Zealand would be beneficial as our storage volumes represent 4 days of continuous

	running at Whirinaki and therefore is heavily reliant on the ability to stand up deliveries from alternative stored fuel locations.
Q20. Do you consider that any of the information relating to diesel is confidential, and if so, why?	Price and counterparty
Q21. Is there any other information the Authority should consider collecting?	
<i>Reporting of information to the Authority</i>	
Q22. What impact would the proposed frequency of data collection have on your organisation?	We would need to allocate additional resource to strengthen our provisioning process beyond the timeframe that the s46 request suggested.
<i>Publication of information</i>	
Q23. Do you support the publication of information as proposed above? If not, why not?	We do not consider it appropriate to publish minimum and maximum gas deliverability figures. As noted above we do not have any particular insights on gas deliverability, and there is a risk that if our forecasts are incorrect wider market decisions are based on incorrect data. We are happy to publish contracted gas volumes, but judgement on deliverability must be provided by either upstream suppliers or MBIE and we recommend aggregated by the EA.
Q24. Is there any other information, covered by the proposed notice, that the Authority should consider publishing?	
<i>Benefits, costs and alternatives</i>	
Q25. What benefits do you anticipate for your organisation by having access to this information?	

<p>Q26. Do you agree with the articulation of benefits and costs as articulated by the Authority? If not, why not?</p>	
<p>Q27. Do you agree the proposed clause 2.16 notices are preferable to the options identified above (or potential alternatives)? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of Act.</p>	<p>We believe that continuing with the collection of data from the s46 request is preferable as it reduces cost to implement our internal data collection and provisioning.</p>