

Submission

Enabling market evolution: Market Operation Service Provider 10-year roadmap – consultation paper

Ackama NZ Limited – 27 July 2026

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About Ackama

Ackama is a New Zealand-owned digital services company headquartered in Wellington. We design, build and operate secure, high-assurance digital platforms for government and regulated markets. Most relevant to this consultation, Ackama built and supports the NZ Emissions Trading Scheme Managed Auction Service in partnership with NZX for the Ministry for the Environment. This is a market-critical Crown trading platform that has operated continuously since March 2021 under government security assurance expectations. In Australia, we have also worked with a number of NEM participants to support their digitalisation programs, particularly as they work to implement the Consumer Data Right (CDR) reforms. We bring the perspective of a potential new entrant to the MOSP market: a party with proven capability in New Zealand market infrastructure that must weigh the information, transition and incumbency barriers this consultation touches on.

Overarching position

1. We broadly support the Authority's direction. A structural review of the MOSP services – both their scope and the pressing need for technology modernisation – is warranted.
2. We disagree with the proposed first structural step of merging the Clearing and Reconciliation roles into a 'Wholesale Settlement Manager'. These roles entail different skillsets and sit in different risk domains – financial risk and physical-market data respectively – and merging them would dilute capability and narrow the credible bidder pool.
3. Our recommended approach is to modernise the system architecture, interfaces and governance first, then assess contractual boundaries only where the operating logic supports it, and only at scheduled decision gates.
4. The current procurement process should not be delayed or derailed by this consultation. Instead, we support the Authority's strategic intent and maintain this procurement should establish the foundations of the 10-year roadmap: modern data exchange obligations, cyber security uplift, scalability, funded modernisation, and maintaining the IP and transition provisions that make future evolution possible.

Responses to consultation questions

Questions	Comments
Q1. What else should the Authority consider when	Distinguish the underlying issues before selecting structural solutions

Questions	Comments
reviewing our MOSP arrangements? Are there other aspects of the services we should consider changing and why?	The consultation paper raises a wide range of issues but appears to bundle the proposed solutions under a broad theme of ‘modernisation’. While modernisation is required, we suggest the Authority first disaggregate the problem set and match solutions to the specific issues. In our view there are five distinct issue categories, with each having different potential solutions. These categories are: 1. Data modernisation – the interfaces, protocols, standards, and cyber security 2. Procurement design – how tenders are structured, signalled, and run 3. Service provider accountability – having the right incentives, service levels, and change obligations 4. Market risk management – efficiently managing the prudential, settlement, and financial risk arrangements 5. Contract governance structure – reviewing the number and boundaries of the MOSP contracts. In our view, the benefits the Authority is seeking to achieve can be made without re-ordering the contractual boundaries. We consider that contract consolidation should be treated as a last-order response, adopted only where modernisation of interfaces and obligations has demonstrably not delivered the intended efficiencies. Reliability obligations are not inherently a barrier to innovation The consultation paper states that the requirement for very high reliability limits the scope for innovation. We do not consider a reliability objective to be, in itself, a barrier to innovation. Good critical-infrastructure providers will innovate continuously within their contractual assurance frameworks – this is normal practice in payments, banking, air traffic, and telecommunications infrastructure sectors. Instead we query whether the MOSP contracts currently contain the right incentives and funding mechanisms for proactive platform modernisation. We support the foundational actions in paragraph 9.3 of the paper for precisely this reason. Clarify the treatment of legacy specifications in the current RFP round For this current MOSP procurement round, the Authority has stated that respondents must comply with the current functional specifications – which embed legacy transfer methods and data structures. While respondents may propose modern architectures that deliver equivalent or better market outcomes through different technical means, this is not a base requirement. Ambiguity on this point risks penalising modern solutions and locking in another contract term of legacy architecture. Where a respondent proposes a modern architecture, the evaluation approach should recognise the whole-of-life benefit rather than treating deviation from outdated legacy specifications as a compliance risk. Recognise participant-side change costs

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	Any move to new interfaces obliges participants to modify or rebuild their own systems. The roadmap should include participant impact assessments, clear cost-recovery logic, and realistic implementation windows for every change that touches participant interfaces. In our experience, modern interface design can mitigate this. For example, running legacy and modern interfaces in parallel during transition windows, with an explicit obligation to plan for participant impact. Contestability can be better addressed through procurement design than through bundling The paper suggests larger contracts may attract more bidders. Our experience as a prospective new entrant is the opposite: contestability is primarily constrained by information asymmetry, transition risk, and short preparation windows, not by contract size. Larger bundled contracts may entrench incumbents by increasing transition risk and narrowing the pool of parties who can credibly deliver the full bundle. The skillsets required across the MOSP roles are also materially different – financial risk management for clearing versus high-volume data operations for reconciliation, registry, and WITS. Bundling can exclude specialist providers who are strong in one domain. Measures that we think would materially improve competitive tension include: 1. Early market engagement, ideally 12–18 months before an RFP is issued, so prospective bidders can prepare internal resources and partnerships 2. Data rooms giving qualified bidders access to interface specifications, volumetrics, and operational documentation 3. Supplier briefings and a published sector-wide strategic direction 4. Realistic transition-in periods that reflect the true effort of standing up compliant, market-critical services 5. Transparent funding structures and allocation for Code-driven and Authority-initiated changes 6. Detailing incumbent exit obligations involving for example current and complete documentation, data escrow, defined transition assistance and cooperation duties, so that switching costs are known and bounded at each re-tender. Establish clear intellectual property arrangements in the 2027 contracts A structural driver of incumbency is the accumulation of provider-held IP and know-how over successive contract terms that are also partly tied up in software license agreements with the Authority. The 2027 contracts are an opportunity to establish a clear IP framework distinguishing: (a) underlying platform IP; (b) New Zealand market configuration, rules and data (which should be available to both the Authority and any successor provider); and

Questions	Comments
	(c) operational know-how. Clear and transparent treatment of these layers lowers barriers to entry at future re-tenders, gives providers confidence to invest in platform modernisation, and gives the Authority genuine optionality when contract boundaries are reviewed later in the roadmap. Review whether procurement settings constrain innovative options The Authority could also assess whether the Government Procurement Rules, as currently applied, constrain more innovative procurement options (for example, competitive dialogue, phased down-selection, or funded proof-of-concept stages) and what options exist to use the flexibility already available within the Rules. We also note the Rule 8 economic benefit test: structuring the MOSP arrangements to build durable New Zealand-based capability – rather than offshore-hosted, offshore-supported platforms – is directly relevant to that assessment and to the long-term resilience of the market. Complex electricity market arrangements Finally, we recognise that these services are highly bespoke and require deep domain knowledge of the New Zealand electricity market and its regulatory settings. The credible marketplace for service provision will always be small. In our view, procurement design should therefore aim to grow scale at the margin and keep incumbency advantages contestable, rather than assume scale alone will attract global providers.
Q2. What do you think of the Authority's view of the future of MOSP services? What else should the Authority consider?	We support modernisation; we do not support premature consolidation We support the move from ageing and monolithic technology towards more modern, modular, and interoperable platforms. We also support the goal of fewer interfaces and friction points across the market. However, fewer friction points does not require fewer providers. Interface rationalisation is an architectural outcome; it can be achieved through common standards, shared identity and authorisation services, and well-designed APIs across whatever contract structure exists. Our overarching position is: modernise the system architecture, interfaces and governance first, and change contractual boundaries only where the operating logic then supports it. The 'Wholesale Settlement Manager' concept is too broad We disagree with the proposed first step of merging the Clearing Manager and Reconciliation Manager roles. The two roles sit in fundamentally different risk domains that extend beyond a shared data dependency: 1. Clearing is financial-market infrastructure. Its core functions are prudential security calculation and collection, counterparty risk management, treasury and payment interfaces, invoicing, and default and dispute management. Its risk features are financial. 2. Reconciliation is physical-market data infrastructure. Its core functions concern meters and their configurations, meter data collection and

Questions	Comments
	dissemination, mapping meter flows within balancing areas, allocating volumes to traders, and providing an independent quality-assured input into settlement. Its risk features are data-quality and process failures. Combining them merges a financial risk function with a data operations function under one provider, which dilutes rather than concentrating capability. In our view this narrows the credible bidder pool to parties who can do both service provider functions. If the Authority wishes to pursue service-based roles, we recommend that Clearing should be carved out of the Wholesale Settlement Manager concept. The future Clearing Manager should look outwards towards financial-market practices and sophistication Rather than being treated as an electricity utility administration function, the future Clearing Manager function should instead lean outwards towards specialist financial-market and commodity clearing capability and adopt the many innovations coming out of those sectors. In our view, the European electricity markets provide a useful reference point. Their clearing arrangements demonstrate that electricity clearing can be treated as specialist and independent post-trade infrastructure, with sophisticated risk management, margining, collateral, and default management capability. While clearing OTC and exchange traded contracts financial hedging contracts, they continue to also clear and settle transactions in the real time physical markets. These clearing houses are comparable to financial-market clearing infrastructure and their innovations (such as cross product collateralisation) have created capital efficiencies, streamlined settlement, and improved compliance reporting obligations for their market participants. We acknowledge that international practice does not point to a single best model for electricity market clearing arrangements. In North America, their electricity markets are operated by the vertically integrated ISO/IMO's, with physical market clearing and settlement embedded within that centralised entity. The Australian electricity market is also structured along similar lines, with AEMO performing clearing, settlement, and prudential functions (along with its other system and market operator activities) within the NEM. In both jurisdictions, their focus is on the real-time market settlement administration, with involvement and innovation in OTC and exchange traded financial contracts being relatively limited. The New Zealand MOSP model is very different in our view. MOSPs are all deliberately contracted services with unique commercial and incentive models to that of a centralised ISO/IMO model. For the Clearing Manager, its current separate structure allows the option for it to evolve into a specialised financial risk and settlement entity, without taking on the administration of utility-style meter reconciliation. As the electricity market evolves to meet increasingly intermittent supply and DERs, a specialist clearing agent becomes more critical to manage prudential security,

Questions	Comments
	collateral efficiency, default management, and the overall resilience of both the physical and financial hedge markets. Domestically, the Reserve Bank's financial market infrastructure framework describes FMIs as systems providing clearing, settlement and the recording of financial transactions, including central counterparties and payment systems. These activities map far more closely to the current and future Clearing Manager than to reconciliation. We recommend the Authority consider whether future clearing arrangements ought to also adopt financial-market-style assurance (independent risk audits, margin model validation, default management testing) and whether at the regulator level, closer engagement with local and international financial-market regulators is appropriate as the function matures. Our suggested future shape of the MOSP services 1. Clearing: keep separate. Transition over three to five years towards financial-market and European best practice clearing, prudential and settlement standards. 2. FTR: keep separate and retain the status quo, as the Authority proposes. The role is relatively self-contained. 3. Registry and Reconciliation: closely coupled through shared data standards and interfaces, with a pathway to possible integration if a decision-gate review demonstrates the benefits. These two roles share the physical-market data domain at the meter level and are the natural candidates for closer alignment. 4. WITS: keep separate until a 2029/30 target-state review. WITS is 24/7 operationally critical to scheduling, pricing, and dispatch, and should provide a stable platform while other infrastructure modernisation changes occur. We note the paper itself is undecided on whether WITS functions ultimately sit with a settlement role or a data hub role – which reinforces that this boundary decision should be made later, with better information. 5. Data hub: proceed, as a market-wide interface and authorisation layer. This is where valuable modernisation gains sit, and it can be developed without disturbing both dispatch and settlement-critical services. Sequence architecture before boundaries Much of the benefit the Authority seeks – simpler change management, lower cyber risk, fewer bespoke interfaces – can be realised through common API and data standards, a shared identity and authorisation service, standardised event and file formats, and consistent security obligations across the existing roles. Once those foundations are in place, the marginal benefit of merging contracts may prove small, and the decision can be taken at a scheduled review gate with real operating evidence rather than in advance of it.

Questions	Comments
Q3. What factors should the Authority consider when investigating the need and benefits of a CMDS?	Define the capability need before selecting a CMDS as the answer We agree against moving straight to a central meter data store as the assumed solution. We recommend the Authority assess what settlement-grade meter data capability (at grid and ICP level) is actually needed – in terms of timeliness, resolution, revision handling, auditability and access – and what is the most efficient and least-risk way to provide it? A CMDS is one of several options the Authority could consider: 1. A centralised CMDS, as described in the paper 2. A facilitated data access model – centralised authorisation and addressing with peer-to-peer transfers (consistent with the Authority’s preferred data hub approach and the AEMO CER Data Exchange concept) 3. A hybrid structure – central storage of a defined settlement-grade data subset, facilitated access for the other datasets 4. An enhanced Reconciliation service – recognising the Reconciliation Manager already receives, validates, stores and processes large volumes of metering data and could build out a CMDS 5. Standardised retention and access obligations on data holders, without any central store. Factors the Authority should weigh There are a range of wider matters that we believe the Authority must take consideration of: 1. Privacy and consent – ICP-level consumption data is personal information; consent models, aggregation rules and Privacy Act obligations must be designed in from the start 2. Alignment with the Consumer Data Right – the CMDS design should complement, not duplicate or conflict with, the accreditation, consent and data-sharing machinery MBIE is implementing under the Customer and Product Data Act 3. Data ownership and control – clarity on the respective rights of consumers, MEPs, retailers, EDBs and the Crown 4. Data accuracy and the treatment of revisions – metering data is corrected and re-versioned over long windows; a central store must handle revision propagation without creating settlement disputes 5. Auditability – end-to-end traceability of who accessed what data, when and under what authority 6. Participant cost – build and ongoing costs for MEPs, retailers and EDBs to feed and utilise the data store, and how those costs are recovered 7. Specific obligations on MEPs, retailers and EDBs – and whether these are best placed in the Code, contracts or both

Questions	Comments
	8. Innovation risk – as the paper acknowledges at paragraph 8.12, a central store can freeze metering innovation at the point the store supports; the design must allow new measurement types and services to emerge outside the core store without penalty 9. Data sovereignty and security – New Zealand hosting or approved-jurisdiction arrangements, NZISM-aligned controls, and clarity on the classification of aggregated consumption data as nationally significant infrastructure data. Sequencing We suggest scoping the CMDS concept through a dedicated 2028–30 design phase, informed by operating experience with the modernised interfaces from the 2027 contracts and the first data hub capabilities. The Reconciliation Manager is a logical participant in designing the settlement-grade metering layer, given it already manages and stores the relevant data, but design should involve MEPs, retailers and EDBs as the parties who bear most of the participant-side cost.
Q4. What other examples of data sharing arrangements should the Authority consider?	International examples AEMO CER Data Exchange (Australia). We support the Authority’s attention to this model. Its central trust and verification service with standardised peer-to-peer transfers avoids duplicating storage while still standardising the market’s data core infrastructure platforms – the same architecture we favour for the New Zealand data hub. The staged, use-case-led scoping (standing data, network limits, flexibility discovery) is also a useful discipline. Nordic electricity datahubs. Elhub (Norway), Fingrid Datahub (Finland) and the Danish DataHub (Energinet) are the most complete examples of centralised metering, switching and settlement-data hubs in electricity. They demonstrate the benefits of this approach - namely dramatically simplified retailer entry, better standardised switching, and enabling a single point of data quality. The Authority would need to ensure issues that arose around multi-year delivery timelines, cost escalation against original budgets, and heavy participant migration effort are appropriately managed. They are however directly relevant precedents for any CMDS/data hub cost-benefit work. Open banking and CDR implementations (UK, Australia, New Zealand). These are the most mature cross-sector examples of accreditation regimes, consent management, standardised APIs and phased mandatory rollout. The lessons – start with high-value use cases, invest early in the accreditation and consent machinery, and keep standards governance close to industry – apply directly to the data hub and to CDR-electricity alignment. UK smart metering (DCC). The Data Communications Company experience is a cautionary example of a centralised data infrastructure whose cost and

Questions	Comments
	timeline substantially exceeded expectations – useful input to CMDS option analysis. A domestic example New Zealand has recent, directly relevant experience of standing up modern, security-assured market infrastructure: the NZ Emissions Trading Scheme Managed Auction Service, operated for the Crown since March 2021, was delivered as a modern cloud-based platform meeting government security expectations, with standardised participant interfaces, within a compressed timeframe. It demonstrates that market-critical Crown platforms can be built and operated in New Zealand with modern architectures and government-grade assurance – relevant evidence when weighing perceived delivery risk of moving beyond legacy MOSP systems. (We declare an interest: Ackama built and supports this platform in partnership with NZX for the Ministry for the Environment.) The data hub is a strategically important role In evaluating any of these models, we maintain that it is important to recognise the full scope of a data hub role. It is not merely a file-format standard. Instead, it encompasses identity and authorisation management, addressing and routing, protocol definition and versioning, audit and traceability, service monitoring, and cyber security controls across the entire framework. In our experience, these functions determine most of the cost and most of the value. Where technical standards should live Finally, the Code (including its schedules) may not be the best home for detailed technical methodologies and protocols. Regulatory change processes are necessarily slow and consultation-heavy, which is appropriate for market rules but poorly suited to evolving communication standards. Technical protocols may be better managed through the MOSP contract structure – with the data hub manager maintaining versioned standards under Authority governance – while the Code sets the obligations to comply with those standards.
Q5. What else should the Authority consider in planning and scheduling changes to the MOSP services?	Support for a staged roadmap with genuine decision gates We support a staged roadmap. We recommend the Authority use a decision-gate structure, with defined evidence thresholds at each gate, rather than locking in a 2035 end-state now. Reviews in 2029/30, after the new MOSP contracts have stabilised and the first data hub capabilities are live, would allow boundary decisions (WITS placement, CMDS need) to be made on the evidence seen in operations. Possible assessment criteria the Authority could use include participant costs and benefits, the impacts on contestability, the level or cyber

Questions	Comments
	concentration risk, data governance maturity within the market, and service level performance. Do not collapse the roadmap into the current RFP round The current procurement should not be derailed or restructured mid-flight – in particular, it should not be used to create a Wholesale Settlement Manager function. The Authority has correctly instructed respondents to price against the current arrangements; changing structure now would undermine that basis, extend timelines, impact wider Authority procurement processes, and increase risk to market-critical services at contract handover. Instead, the 2027 contracts should establish the foundations of the roadmap: 1. Modern data exchange obligations – API-first interface requirements and a commitment to published, versioned data standards 2. Cyber security uplift – NZISM-aligned controls with independent assurance, consistent across all roles 3. Modularity and scalability requirements – so platforms can absorb volume growth (for example from CER and DER uptake) and functional change efficiently 4. Funded modernisation – clear contractual mechanisms and funding logic for proactive platform modernisation, not just reactive Code-change delivery 5. Future regulatory capability – obligations to support anticipated changes such as CDR-electricity and evolving switching arrangements 6. Governance for structural change – contract mechanisms (including IP, documentation, data escrow and transition assistance provisions) that keep future re-shaping of the roles genuinely possible and affordable 7. A standing roadmap governance forum – with MOSPs actively involved in roadmap design as delivery partners, not consulted after policy positions have hardened Recommended sequencing 1. 2027–28: new MOSP contracts commence with embedded modernisation obligations; Clearing future-state review begins with an objective to enhance its financial sophistication; CMDS scoping project commences 2. 2028–29: data hub target architecture designed and staged rollout begins; Registry/Reconciliation interface roadmap agreed 3. 2029–30: WITS future-state review; first structural decision gate using operating evidence from the new contracts and data hub 4. 2030–35: implement the service-domain model where, and only where, benefits are proven at the decision gates. WITS timing

Questions	Comments
	WITS should remain separate for now because of its 24/7 operational role in scheduling, pricing and dispatch, and the market's need for stable core infrastructure while other changes are underway. Its functions may ultimately sit closer to other roles – the paper itself contemplates splitting WITS between a settlement role and the data hub – but that allocation is best assessed at the 2029-30 review with the data hub design in hand. Participant impact and funding transparency Every roadmap stage that changes participant-facing interfaces should carry a published participant impact assessment, transparent cost-recovery logic, and implementation windows that reflect realistic delivery capacity across gentailers, independent retailers, MEPS and EDBs. We suggest that sequencing should deliberately avoid stacking multiple concurrent interface changes on the same participant groups. MOSP designation under the Electricity Industry Act While not discussed in the consultation document, if the Authority creates any enduring new market operations role, we recommend the service should be designated as a MOSP under the Electricity Industry Act 2010. This designation supports service transparency, compliance accountability to market participants, levy-payer scrutiny, and separation between the Authority's regulatory role and the operational functions of the market. Digitalisation Roadmap We read with interest the Authority's recently released Digitalisation Roadmap that lays out what needs to be done within the electricity system to achieve a digitalised future for consumers. The Digitalisation Roadmap discusses a range of outcomes such as secure and timely data exchanges, better and easier technology integration, strong data governance, trusted network information, more efficient market processes, lower barriers to participation, and reliable digital infrastructure.

Closing

We would welcome the opportunity to discuss any aspect of this submission with the Authority, including through the supplier briefing and question processes available under the current procurement. We support the Authority's ambition for a modern, secure and adaptable market operations platform for New Zealand, and we consider the sequencing choices made now – in the 2027 contracts and the early roadmap stages – will largely determine whether that ambition is achieved at reasonable cost and risk.