great value made easy

nova energy

27 August 2026

Submissions
Electricity Authority

By email: monitoring@ea.govt.nz

Nova Energy Limited
PO Box 3141, Wellington 6140

0800 668 236
7.30am to 7pm – Monday to Friday

info@novaenergy.co.nz
www.novaenergy.co.nz

Nova Energy's submission to the Electricity Authority's consultation on Improving visibility of competition in the OTC contract market: updates to clause 2.16 notice

Nova Energy Limited (Nova) welcomes the opportunity to provide feedback on the Electricity Authority's proposed amendments to the clause 2.16 notice relating to over-the-counter (OTC) bids and offers data.

Nova participates actively in the OTC hedge market and supports initiatives that improve transparency, market monitoring and confidence in wholesale electricity market outcomes. Effective market information can support both regulatory oversight and informed decision-making by market participants. Consistent with our previous submissions on hedge market transparency and disclosure arrangements, Nova supports the Authority obtaining information that provides a sound evidential basis for monitoring competition and informing future policy development.

While Nova generally supports the proposed amendments, we encourage the Authority to continue considering whether the scope of information collected is proportionate to the benefits achieved. In particular, Nova remains concerned that reporting requirements should focus on information that provides meaningful insight into market outcomes rather than generating large volumes of routine data that may be difficult to interpret or provide limited regulatory value. The distinction between genuine trading intent and exploratory market activity remains important when assessing competition and liquidity in the OTC market.

Nova supports several of the proposed changes, including improvements to data quality, clarification of reporting requirements, and the proposed role of brokers in providing information on brokered transactions. These changes should improve the consistency and usefulness of information available to the Authority while reducing duplication of reporting obligations.

Nova also encourages the Authority to continue balancing transparency objectives against compliance costs and the need to protect commercially sensitive information. Appropriate safeguards and careful interpretation of reported data will remain important to ensure the information collected accurately reflects market conditions and does not unintentionally create misleading conclusions regarding competition or hedge market access.

Nova's responses to the consultation questions are attached.

Thank you for considering Nova's submission. We would be pleased to discuss any aspect of our feedback with the Authority.

Yours sincerely,

Kathryn Le Cheminant

Regulatory and Compliance Administrator

Appendix C Submission form

Improving visibility of competition in the over-the-counter contract market - updates to clause 2.16 notice

Submitter	Nova Energy

Questions	**Comments**
Q1. Do you agree with the proposed update to the definition of industrial consumers captured by the notice by including those who are directly connected to the grid or who are a trader of electricity?	Yes. Nova supports broadening the definition of industrial consumers to capture participants active in the OTC market that are not currently captured. This should improve completeness of market information while supporting the Authority's monitoring objectives. The Authority should ensure the definition remains clear and easily understood by affected participants.
Q2. Do you agree with the proposed inclusion of energy brokers, where they are traders in electricity, as applicable participants in the notice?	Yes. Nova supports inclusion of energy brokers who are traders in electricity. Brokers are often well placed to provide complete information on market interactions and their inclusion should improve data quality and market transparency.
Q3. Do you agree with changing the disclosure obligation for requests made through brokers?	Yes. Nova supports transferring reporting obligations to brokers for brokered requests. Brokers frequently have better visibility of bids, offers and counterparties, reducing duplication and improving reporting quality.
Q4. Do you agree with the inclusion of a column to capture generating station(s) to improve distinction between PPAs and contracts for firming?	Yes, where known or applicable, contracts that trade at a market node with no known generation station linked or stated should still meet the disclosure requirements. Nova agrees that a generating station field will improve the Authority's ability to distinguish PPAs from firming arrangements. Appropriate protections should remain for commercially sensitive information.

Questions	Comments
Q5. Do you agree with the inclusion of the *TradedHedgeID and OfferDeclineReason* columns in the notice to help identify traded contracts and the reasons for declining offers?	Generally yes. Nova supports inclusion of TradedHedgeID and OfferDeclineReason fields. Consideration should be given to standardised categories or guidance to improve consistency and reduce interpretation issues.
Q6. Do you agree with the inclusion of a column to the notice to identify the reasons behind non-conforming offers?	Yes. Capturing reasons for non-conforming offers may improve understanding of market behaviour and support monitoring of competition and non-discrimination obligations. Guidance or standard categories would improve consistency.
Q7. Do you agree with the proposed changes to improve the data submission? If not, why not? Do you have any suggestions?	Generally yes, but with reservations. Nova supports improvements to data quality and submission processes. However, recording and reporting all OTC requests may create significant administrative burden while generating large volumes of information with limited regulatory value. Consistent with Nova's previous submissions, the Authority should focus on information that reflects genuine trading intent rather than exploratory market testing or price discovery. Nova suggests considering a more targeted approach focused on RFPs or EOIs that do not result in a trade and where participants wish to raise concerns regarding market access, competition or availability of hedging products. Updated templates, validation rules and worked examples should be provided before implementation.
Q8. Do you agree with the Authority's changes to the proposed notice listed in table 2?	Yes. Nova supports the changes outlined in Table 2, including clarifications regarding nil returns, node reporting and technical corrections that improve usability and reduce ambiguity.
Q9. Do you agree the benefits of the proposed amendments to this clause 2.16 notice outweigh its costs? If not, what area(s) of the Authority's preliminary assessment of benefits and costs do you disagree with?	On balance, yes. Nova supports improved transparency and monitoring of competition in the OTC market. However, Nova is not convinced that collecting information on all requests and responses will necessarily provide benefits commensurate with the compliance burden. There is a risk that large volumes of routine or

Questions	Comments
	exploratory market activity may be collected without providing meaningful insights. A more targeted framework may better balance transparency objectives against compliance costs.
Q10. Do you agree with the proposed changes to the notice?	Generally yes, but with reservations. Nova supports the Authority’s objective of improving transparency and competition monitoring. However, the Authority should carefully consider whether the breadth of information collected is proportionate to the benefits achieved. Nova remains concerned that collecting all OTC requests may capture significant market testing activity that does not represent genuine demand and could be misinterpreted without appropriate context. Nova therefore supports the proposed amendments in principle while encouraging further refinement of the reporting scope.