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TRUSTPOWER SUBMISSION: HEDGE MARKET ENHANCEMENTS: SECURING ACCESS TO EXCHANGE DATA

1. Overview

- 1.1.1 Trustpower Limited (**Trustpower**) is pleased to provide a submission to the Electricity Authority (**the Authority**) on its *Hedge Market Enhancements: Securing access to exchange data* consultation paper (**the Consultation Paper**).
- 1.1.2 Trustpower understands that the Authority is wanting to secure ongoing access to participants' data (relating to exchange-traded risk management contracts) held by the Australian Securities Exchange (**ASX**) platform, as their current access is time-limited, expiring on 3 November 2020.
- 1.1.3 The Authority explicitly acknowledges that some information or data they wish to have access to in the future may not exist currently (or they may be unaware of it).¹ To enable the Authority to capture and access all of this data in the future, they are proposing a change to the Electricity Industry Participation Code 2010 (**the Code**).
- 1.1.4 This Code change would give the Authority broad and far-reaching information gathering powers.

2. Trustpower's views

2.1. Targeted scope for information gathering powers required

- 2.1.1 Trustpower supports the Authority amending the Code to establish a permanent, codified arrangement allowing them to continually access de-anonymised tick data (log of all orders placed, modified, executed or deleted with the ASX)² in perpetuity.
- 2.1.2 This ongoing access, however, should be limited to the tick data from the ASX only and not encompass currently unknown or non-existent data that the Authority may need or use in the future, including data from other exchange platforms.
- 2.1.3 In reviewing market making arrangements, the Authority has previously advised that they will take an objective and evidence-based approach to any reform.

¹ Consultation Paper, [2020] Electricity Authority, p. 12

² Consultation Paper, [2020] Electricity Authority, p. 6

- 2.1.4 We consider that the Authority has not provided sufficient evidence to justify their proposal of increasing the extent of their information gathering powers. Accordingly, the Authority should only be able to secure ongoing access to the de-anonymised tick data from the ASX.
- 2.1.5 Trustpower also considers that the risk and potential for unplanned misuse of significant volumes of participant data outweighs the small benefit of reduced compliance costs.
- 2.1.6 The Authority should only acquire the specific data that it knows it will need and use in undertaking its functions required under the Electricity Industry Act 2010. This is to minimise the risk and exposure to the Authority (and other affected participants) should an accidental release or misuse of data occur.
- 2.1.7 The Authority also possesses the ability to obtain additional information in the future without the need to 'proactively' secure access through this Code change. They could also consider a future expansion of their information gathering powers under the Code if there is sufficient evidence to justify the need.
- 2.1.8 For any questions relating to the material in this submission, please contact me on 027 810 3326.

Regards,



TOM KENNERLEY
ADVISOR STRATEGY & REGULATION