

23 March 2021

Nova Energy Limited
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Submissions
Wholesale Markets
Electricity Authority

By email: tradingconduct@ea.govt.nz

Re: Wholesale markets – Trading conduct

Nova agrees with MDAG the current trading conduct provisions in the Code should be replaced by the new rule as proposed.

It is important that the rule is sufficiently generic to cover a wide range of situations, yet specific enough to for market participants to understand, and to be enforceable by the regulator.

The consultation paper provides adequate discussion of the issues around the proposed rule, and processes that MDAG went through to reach its preferred solution. Quantifying the costs and benefits for a proposal such as this is always going to be highly subjective, but the rationale for the new rule appears strong.

Nova agrees with not providing guidance through provision of specific examples or anonymised case studies. Such examples are more likely to give licence to parties to exercise such market power that they can, within the scope of the given examples, rather than enhancing greater competition.

Overall, the proposal is a material improvement on the current Code provisions.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely



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