



2 August 2021

Submissions
Electricity Authority
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By email: wholesaleconsultation@ea.govt.nz

Submission on permanent change to definition of disclosure information

Contact appreciates the opportunity to make this submission on the Authority's proposed permanent change to the definition of disclosure information under 13.2A of the Code.

A decision by the Rulings Panel in the *Haast v Genesis* case in January this year highlighted that the 13.2A definition of disclosure information of "information which will have a material impact on prices in the wholesale market" threshold was less effective than the policy intent and could result in less information being disclosed to the market.

Contact has always taken a conservative approach to determining whether information will have a material impact on prices, so we do not anticipate that the proposed change to the definition of disclosure information to "information which is likely to have a material impact on prices in the wholesale market" will significantly impact our disclosure practices. We note, however, that this change will move the Code further away from the NZX continuous disclosure test.

Contact believes the suggestion in the consultation documentation to further soften the definition to "information which may have a material impact on prices in the wholesale market" would be a step too far and create too low a threshold, which would result in the disclosure of a significantly larger amount of information, and cause the market to become flooded with information that may not be material, likely causing market confusion as to what may have an impact on prices.

Additionally, Contact does not support the Authority's suggestion in the consultation documentation to add to Part 13 of the Code specifying particular categories or kinds of information as being disclosure information. This creates a substantial risk that information may be classified as disclosure information by the Code when it is not actually material to price. We are of the view that the Authority's 'Guidelines for Participants on disclosure of wholesale market information' provide adequate and valuable direction.

We are happy to further discuss our submission. Please do not hesitate to contact me if you have any queries.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Abbott".

Chris Abbott

GM Regulatory Affairs and Government Relations