



TRANSPOWER

Keeping the energy flowing

Waikoukou
22 Boulcott Street
PO Box 1021
Wellington 6140
New Zealand
P 64 4 495 7000
F 64 4 495 6968
www.transpower.co.nz

Electricity Authority Te Mana Hiko
Level 7, AON Centre
1 Willis Street
Wellington 6011
New Zealand

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Improving Hedge Disclosure Obligations

We appreciate the opportunity to respond to the Authority's consultation paper *Improving Hedge Disclosure Obligations*, published 11 July 2023.

The system operator is responsible for operating the power system, ensuring that electricity supply and demand are in balance and to manage voltage and frequency on the grid to ensure it remains stable. To help fulfil these functions, we assess potential future states of the power system and potential supply and demand-side responses under different system conditions to better understand future system security risks and mitigating factors (eg. when assessing outages).

Greater visibility of contracts between parties (especially where these contracts can impact physical supply and demand for electricity at different locations on the grid at specific times) would provide additional information into our planning processes to better understand potential supply and demand-side responses under future system conditions. Improving the information into our planning process can help us better assess potential future conditions (including risks and mitigating measures) which can help deliver more efficient outcomes.

We believe that there is opportunity to improve linkages between hedge contracts and our role as system operator and deliver benefits for consumers.

We would be happy to discuss this further with the Authority.

Yours faithfully,

Stephen Jay
GM Operations