SUMMARY OF MARKET DEVELOPMENT ADVISORY GROUP FINAL RECOMMENDATIONS PAPER



Getting the work done will require commitment and resourcing by the Electricity Authority and the industry

ciated with electrification and e economy are challenging the esale market design	the wholesale market design areas so it can fully support New Z decarbonisation a	ealand's electrification
LICATIONS FOR WHOLESALE MARKET DESIGN Contract market must provide clearer and more timely signals about investment needs	PACKAGE OF 31 MEASURES* FOR IMPLEN * These measures are not a 'buffet' to choose from. They for as a sustained and coordinated programme of action over be used if earlier actions are not sufficiently effective. All m	rm an integrated package to be implement the coming four years. A few are 'backup
rticipants need better tools to manage risks associated with increased spot price volatility Spot prices must provide clearer signals to coordinate system in real time	 TRANCHE 1 (Action in 2024) 5 measures to improve price signals 6 measures to improve risk management tools 2 measures to strengthen competition 2 measures to lift public confidence 	Examples: – Improve short-term wind/so demand forecasts – Strengthen stress testing re – Publish seasonal outlook re
roactive measures needed to safeguard competition – especially for flexible supply Market rules must make it easy for consumers to reap benefits of providing demand side flexibility	 TRANCHE 2 (Action in 2025+) 6 measures to improve price signals 3 measures to lift public confidence 	Examples: – Raise consumer awareness DSF benefits – Enhance market monitoring – Improve information on investment pipeline
Need to 'connect' widely dispersed energy devices on networks to wholesale market	9	
Market rules must enable innovation – in technology, ystems, business processes and services to customer Market needs to maintain public/political confidence – underpins the dynamic that delivers reliability	 TRANCHE 3 (Action in 2026+) 4 measures to improve price signals 1 measure to improve risk management tools 1 measure to strengthen competition 1 measure to lift public confidence 	Examples: – Introduce 'ahead' market (contingent measure) – Enact virtual disaggregation (contingent measure)
e economy are unleashing new physical forces – such icity supply base, and to swiftly integrate new participants tem. uggling to respond to some of these forces because it n mind.	 A package of measures is needed to beef up the who Tranche 1 covers 15 immediate measures to address underway but should be expanded or accelerated. Tranche 2 covers 9 measures to be actioned as soon Tranche 3 covers 7 measures that are all (except for if earlier measures are not sufficient. 	s pressing issues. Some are partial n as practical.



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