

8 February 2024

To: The Electricity Authority | Te Mana Hiko

By email: wholesaleconsultation@ea.govt.nz

Improving Hedge Disclosure Obligations - Preferred Options

To whom it may concern

Thank you for the opportunity to comment on the Electricity Authority's (EA) proposals to improve hedge disclosure obligations in the over-the-counter (OTC) market.

EVA Marketplace (EVA) has not had the opportunity to review the consultation paper in full, and therefore is not in a position to answer the individual questions. However, we would like to make some high-level comments.

Overall, we are supportive of the EA's proposal, which appears to strike a reasonable balance between OTC information disclosure/publication and commercial sensitivity. We support disclosure being expanded to include power purchase agreements (PPAs) and other OTC contracts with terms greater than 10 years. We agree with Transpower that New Zealand requires a more liquid PPA market; greater transparency should help to improve liquidity. We are also working to improve transparency in the PPA market by regularly publishing information on publicly announced PPA deals, and average pricing from EVA's PPA tenders (EOIs/RFPs). This information is made publicly available in our quarterly [renewables market report](#).

EVA regularly uses the Electricity Hedge Disclosure System to report on ASX futures prices and monitor the OTC CfD market. We have noticed that some OTC contracts may be hiding the true contract price, potentially by using an adjustment clause or other clauses. We would recommend that the EA investigates and monitors for this behaviour, then considers further rule changes if required.

Please feel free to contact me if you have any questions.

Sincerely

Paul Coster

Founder, [EVA Marketplace](#)

+64 20 426 8017

paul.coster@evamarketplace.co.nz