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Electricity Authority
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Via email: wholesaleconsultation@ea.govt.nz

Manawa Energy's Submission on Improving Hedge Disclosure Obligations – Preferred options

Introduction

Manawa Energy (**Manawa**) welcomes the opportunity to provide a submission to the Electricity Authority (**Authority**) on its *Improving Hedge Disclosure Obligations – Preferred options* consultation paper (**Consultation Paper**).

Manawa is an independent power producer with a proven track record of investing in local and grid scale renewable generation. Its strategic plan for future investment aligns with the achievement of New Zealand's decarbonisation and electrification objectives.

Manawa operates a diverse portfolio of 44 power stations across 25 hydro-electric power schemes, supplying around 5% of New Zealand's electricity needs.

Submission

Manawa is largely supportive of the options presented in the Authority's Consultation Paper. However, Manawa remains of the view that updating the design and operation of the Hedge Disclosure Obligations (HDO) system is going to be where the most value is added. Creating a better presentation of the information that is already submitted (and ensuring sufficient fields are provided for inputting information) would create greater transparency for the market, with limited increase in compliance costs. Manawa is supportive of the Authority collaboratively working with interested participants through stakeholder workshops and market testing and look forward to being involved in this process. Manawa is also supportive of the Authority actively exploring the integration of Application Programme Interface (API) which would provide much needed efficiency gains.

Manawa is also supportive of the Authority not proposing to mandate the disclosure of request for proposals (RFP), including bids and offers. The voluntary sharing of such information, in alignment with the Voluntary Code of Conduct recently developed by the OTC Electricity Market Working Group, is a much more pragmatic solution and strikes a better balance between creating additional value and the compliance burden of providing that information.

Whilst Manawa is largely supportive of the options presented, there is a need for the Authority to consider how it calculates price in greater detail. Manawa appreciates the difficulty of creating a comparable contract price but questions whether using the existing formula in clause 13.220 is the best

solution. Using this calculation does not create a truly comparable price. As a comparable product type, a baseload equivalent price may provide a better comparison. There are of course complexities in calculating this too, but as price is the most important data point for understanding the market, all options should be considered fully to ensure the most useful contract price is provided.

If you have any questions regarding the content of this submission, please contact Grace Burtin, Regulatory Manager.