

From: Matt Carnihan
Sent: Wednesday, 6 March 2024 10:52 am
To: Grant Benvenuti; Peter Taylor
Subject: RE: Pricing for 9 August 2021

Hi Grant,

Thanks for this, and more than happy to manage the CR/signoff side of things at the commercial team end.

Easy.
MC

From: Grant Benvenuti <s9(2)(a)>
Sent: Tuesday, March 5, 2024 3:00 PM
To: Matt Carnihan s9(2)(a); Peter Taylor s9(2)(a)
Cc: Mark Herring s9(2)(a)
Subject: RE: Pricing for 9 August 2021

Matt, Peter, FYI attached is the last in the email chain. Although I wasn't copied in, I presume this was sent to the Board.

This was an operational issue, not a contractual one so I didn't include you in the chain. (9(2)(g)(i))

This is likely to end up as a bullet point in the monthly report

Cheers
GB

Grant Benvenuti
Principal Advisor
Electricity Authority

s9(2)(a)

From: Mark Herring s9(2)(a)
Sent: Monday, March 4, 2024 5:10 PM
To: Grant Benvenuti <s9(2)(a)>
Cc: Matt Carnihan s9(2)(a); Peter Taylor <s9(2)(a)>
Subject: RE: Pricing for 9 August 2021

Hi Grant

Thanks for covering this since Friday, looks like it's been a lively issue!

Matt, Peter and I aren't on the email chain below, but are the primary contacts for NZX in their role as clearing manager. Would you be able to share an update of where this issue is at now, and we can figure out how / when is best for the team to pick this up?

Thanks
Mark

From: Sarah Gillies <s9(2)(a)>
Sent: Monday, March 4, 2024 12:58 PM
To: Mark Herring <s9(2)(a)>
Subject: FW: Pricing for 9 August 2021
Importance: High

Looping you in. Unfortunately I looked at Grant's email on my phone and didn't notice you weren't on the email chain (which is relevant to his question as to whether he should be holding the relationship).

Ngā mihi
Sarah

Sarah Gillies
Chief Executive

s9(2)(a)



Level 7, AON Centre, 1 Willis Street
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From: Sarah Gillies
Sent: Monday, March 4, 2024 12:51 PM
To: Sean Martin <s9(2)(a)>; Saki Hannah <s9(2)(a)>; Grant Benvenuti <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi Mahuika <s9(2)(a)>
Cc: Doug Watt <s9(2)(a)>; Sally Aitken <s9(2)(a)>
Subject: RE: Pricing for 9 August 2021
Importance: High

Thank Sean.

Here's what I need to send the Board:

- Some questions were raised on Friday when the clearing manager published prices for the relevant trading periods on 9 August
- The clearing manager has investigated this morning and realised they used the wrong file.
- They've advised the market of the error and provided final prices.
- How this happened?
 - o Human error?
- What could we have done to prevent this?
 - o Explain
- What's the impact on participants, consumers?
 - o Explain
- Does this change our approach re UTS investigation?
 - o Answer

Thanks team.

Ngā mihi
Sarah

Sarah Gillies
Chief Executive

s9(2)(a)



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From: Sean Martin s9(2)(a) >

Sent: Monday, March 4, 2024 12:47 PM

To: Sarah Gillies s9(2)(a) >; Saki Hannah s9(2)(a) >; Grant Benvenuti <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi Mahuika <s9(2)(a)>

Cc: Doug Watt <s9(2)(a)>; Sally Aitken <s9(2)(a)>

Subject: RE: Pricing for 9 August 2021

FYI

Here is the query from *Energy News* – have talked to Grant and Saki to understand and am drafting response now

I have some questions about the potential issue found with the prices for 9 August 2021 which were finalised, then made interim again on Friday afternoon. NZX says that you're the best contact.

I'm keen to get an idea of what the potential price issue is and what is being done to remedy it.

Also, can you provide any details on how these prices are calculated? We had some comments on Friday afternoon expressing surprise at prices being as high as they were and it would be good to provide some context around why they may be that high.

I understand from NZX that the prices will be finalised tomorrow. Is there any comment from the EA on what could be done or has been done to avoid a similar situation in the future?

(This may come back to the better communication policies already enacted by Transpower and others as part of their winter security planning.)

From: Sarah Gillies <s9(2)(a)>
Sent: Monday, March 4, 2024 12:37 PM
To: Saki Hannah <s9(2)(a)>; Grant Benvenuti <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi Mahuika <s9(2)(a)>; Sean Martin <s9(2)(a)>
Cc: Doug Watt <s9(2)(a)>
Subject: RE: Pricing for 9 August 2021

Thanks, before it gets published I need to let the Board know.

Ngā mihi
Sarah

Sarah Gillies
Chief Executive

<s9(2)(a)>



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From: Saki Hannah <s9(2)(a)>
Sent: Monday, March 4, 2024 12:25 PM
To: Sarah Gillies <s9(2)(a)>; Grant Benvenuti <s9(2)(a)>; Andrew

Millar <s9(2)(a)>; Airihi Mahuika <s9(2)(a)>; Sean Martin <s9(2)(a)>
Cc: Doug Watt <s9(2)(a)>
Subject: RE: Pricing for 9 August 2021

Hi Sarah,
Sean is just working on a response to an Energy News Journalist explaining what happened.
This could be turned into an update for the Board / Minister.
However, the short summary (as Grant noted) is the Clearing Manager used the wrong file; advised the market of the error & has now provided revised prices (from the correct file) at 9am today.

Seems quite operational but we could do a short note given some noise around it.

Hi Sean
What do you think?

Cheers
Saki

From: Sarah Gillies <s9(2)(a)>
Sent: Monday, March 4, 2024 12:22 PM
To: Grant Benvenuti <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi Mahuika <s9(2)(a)>
Cc: Saki Hannah <s9(2)(a)>; Doug Watt <s9(2)(a)>
Subject: RE: Pricing for 9 August 2021

Thanks, do I need a note for the Board or the Minister's office to explain what's happening?

Ngā mihi
Sarah

Sarah Gillies
Chief Executive

<s9(2)(a)>



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From: Grant Benvenuti <s9(2)(a)>
Sent: Monday, March 4, 2024 10:57 AM
To: Sarah Gillies <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi

Mahuika <s9(2)(a)>

Cc: Saki Hannah <s9(2)(a)>; Doug Watt <s9(2)(a)>

Subject: RE: Pricing for 9 August 2021

Hi Sarah, final update...

The clearing manager has finished their investigation and have issued corrected prices. They issued comms of Friday afternoon advising participants of a potential error and not to use prices for off market (hedges). They have issued comms this morning again noting the error and advising corrected prices have now been published.

With assistance from Tuong <s9(2)(a)> Murray Henderson (of the system operator) the clearing manager realised they had used the wrong input file into the pricing process. <s9(2)(g)(i)>

<redacted> There is unlikely to be a recurrence as this process is not used anymore and has been replaced by RTP

Cheers

GB

Grant Benvenuti
Principal Advisor
Electricity Authority

<s9(2)(a)>

From: Grant Benvenuti

Sent: Friday, March 1, 2024 5:07 PM

To: Sarah Gillies <s9(2)(a)>; Andrew Millar <s9(2)(a)>; Airihi

Mahuika <s9(2)(a)>

Cc: Saki Hannah <s9(2)(a)> Doug Watt <s9(2)(a)>

Subject: Pricing for 9 August 2021

Hi Sarah, it looks like the clearing manager has used the incorrect pricing file when calculating final pricing for these trading periods. The issue relates to the first two trading periods (TP37 and 38). These two TPs were NOT part of the scarcity pricing application, and were not part of the pricing error claim (and subsequent High Court appeal). For these two trading periods there was reserve issues, which is why we held them as interim as well, in case the 2021 UTS investigation found issue with these trading periods as well.

The clearing manager is going to send communications out to participants advising there is an error and they are investigating.

I have also sent a separate query to pre-RTP pricing experts (Tuong, Doug, <s9(2)(a)> Murray Henderson) as I am not an expert in the detail of pricing. This is to confirm which pricing file needs to be used. This will help give the clearing manager advice on what we think should be done. It is unlikely this will be done today or over the weekend, so something for Monday.

I have had several calls with the clearing manager and are currently the point person. To everyone on this email chain, please advise if you are comfortable I maintain this relationship or if there is anyone else who should be the Authority contact person with the clearing manager.

I'll let everyone know if there is any further news

Cheers

GB

Grant Benvenuti
Principal Advisor

s9(2)(a)
[Redacted]



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