

From: Sara Mateparae
Sent: Wednesday, 28 February 2024 1:45 pm
To: Airihi Mahuika; Sean Martin; Grant Benvenuti
Subject: RE: Hello and query around recent court decision on pricing error

Edits from Grant in red below

From: Sara Mateparae
Sent: Wednesday, February 28, 2024 1:29 PM
To: Airihi Mahuika s9(2)(a) Sean Martin <s9(2)(a)>; Grant Benvenuti s9(2)(a)
Subject: RE: Hello and query around recent court decision on pricing error

Kia ora

As discussed with Airihi we're not in a position to respond to the process re finalisation of prices until the special Board meeting tomorrow afternoon which will decide (amongst other things) whether the existing direction to hold prices interim for trading periods 39 – 41 on 9 August 2021 will be revoked.

I set out below the steps we have taken following the High Court decision and the steps to be taken if the Board accepts the recommendation to revoke the hold and finalise prices. Grant – I'd be grateful for your review/input on the below!

Steps taken to date

There is a process set out in the Code for the steps to be taken in response to a pricing error claim. Participants can find these in Part 13 of the Code from clause 13.167 onwards (note that the relevant Code provisions are those that applied in 2021, previous versions of the Code can be found on our website here: [Previous versions of the Code | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/previous-versions-of-the-code/))

On 23 February 2024, following the High Court decision, the Authority notified the clearing manager under clause 13.175 of the Code that the pricing error claimed by Haast and Electric Kiwi was upheld in respect of trading periods 39 – 42 on 9 August 2021. The Authority directed the clearing manager to reset interim prices in respect of trading periods 39 – 42 without scarcity pricing applying (i.e. based on offer prices). The instruction to hold prices interim for trading periods 37 – 42 was not revoked at this time.

The clearing manager published this notification and direction from the Authority in its NZX Energy Daily Wholesale Market Report on 26 February.

Next steps (have written this on basis that this will go after Board decision to finalise prices so it can be sent out if needed)

The Authority decided to revoke the direction to hold prices interim on 29 February 2024. On that same day, the Authority notified the clearing manager of its decision and asked the clearing manager to finalise prices for trading periods 37 – 42 on 9 August 2021. Prices are to be finalised by the clearing manager without scarcity pricing applying, using the Code process that was in force as at 9 August 2021.

The clearing manager will finalise the six trading periods (note that trading periods 37 and 38 will remain unchanged as scarcity pricing was not applied to those two trading periods) and publish those

prices on WITS. The Authority will work with the clearing manager to manage the settlement process following publication of final prices.

The Authority published its decision on 1 March 2024 – [insert link].

Ngā mihi
Sara

From: Airihi Mahuika <s9(2)(a)>
Sent: Wednesday, February 28, 2024 12:15 PM
To: Sara Mateparae <s9(2)(a)>; Sean Martin <s9(2)(a)>
Subject: FW: Hello and query around recent court decision on pricing error

Kia ora Sara and Sean

Please see the email/question below, which is really a process one I think.

When we notify the market of the decision and around finalisation of prices, will we be giving practical guidance around the process (eg point to the Code process)?

Ngā mihi
Airihi

From: Mark Herring <s9(2)(a)>
Sent: Wednesday, February 28, 2024 7:11 AM
To: s9(2)(a) <s9(2)(a)>@manawaenergy.co.nz>; Airihi Mahuika <s9(2)(a)>
Cc: s9(2)(a) <s9(2)(a)>@manawaenergy.co.nz>
Subject: RE: Hello and query around recent court decision on pricing error

Hi s9(2)(a)

s9(2)(g)(i)

I'm really enjoying being at the Authority – lots to get on with, and everyone has plenty of energy to get stuck in.

Re High Court decision, @Airihi Mahuika and her team are leading on this are best placed to respond to your question below.

s9(2)(g)(i), and a coffee next time that you're in Wellington sounds great.

s9(2)(a) – great to hear that you're leading a FlexForum work stream. Happy to introduce you to anyone at the Authority, or catch up for a chat at some point, if either would be helpful.

Regards
Mark

From: s9(2)(a) <[REDACTED]@manawaenergy.co.nz>
Sent: Monday, February 26, 2024 2:03 PM
To: Mark Herring s9(2)(a) <[REDACTED]>
Cc: s9(2)(a) <[REDACTED]@manawaenergy.co.nz>
Subject: Hello and query around recent court decision on pricing error

Hi Mark,

Hope you have been well and are enjoying your new role.

s9(2)(g)(i)

[REDACTED] s9(2)(a) will be the key contact for Manawa going forward – cc'd so you have her details. She is also leading one of the FF workstreams so no doubt your paths have (or will shortly) cross.

I do have a question around the Authority's intended pricing process given the recent High Court decision around 9 August pricing outcomes. I realise the Authority won't be able to comment much on the court decision as your Board will no doubt be making its assessment around next steps etc, but I did want to check one thing with you – will there be a communication to the market around how prices will be determined for the relevant trading intervals at some stage? It's entirely possible there is a codified approach that I am not aware of – in which case pointing me in the right direction would be most appreciated.

As you can imagine our finance team wants to make provision for the impacts of resettling those trading intervals and we are trying to provide the best advice possible to them around quantum of impact. This may sit with another team at the Authority so feel free to redirect me and completely understand if you can't say much at this stage.

Thanks and hopefully we can grab a coffee next time I am in Wellington. I'll flick you an email when I have some future travel plans.

s9(2)(a)



s9(2)(a)

s9(2)(a)

s9(2)(a) <[REDACTED]@manawaenergy.co.nz>

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