

From: Grant Benvenuti
Sent: Thursday, 4 April 2024 9:57 am
To: s9(2)(a); Matt Carnihan
Cc: Saki Hannah
Subject: RE: Statement of Work for August 9 2021, Excluded trading Period Settlement.
Attachments: NZX Aug 9 Settlement SoW DRAFT 260324.pdf

Thanks Tim, as discussed, we are surprised at the total cost as it was higher than we initially expected, so would like the SOW to include a couple of additional options:

- 1) In section 4.1 can you change it to something like:

The Provider must complete the August 2021 settlement requirements with the inclusion of trading periods 37-42 in a process the Authority selects from the three options below.

- Option 1: Use a process as close to that outlined in Part 14 Clearing and Settlement, Subpart 3 of the Electricity Industry Participant Code 2010, with certain provisions detailed by the Authority outlined below.
- A. When settling the six trading periods (and all the processes that flow from that) the clearing manager is to use the R0 or initial submission volume on the outset, and to calculate the amounts in relation to the FTR settlement.
 - B. Once finalised, standard washup process should then apply for trading periods 37-42 to ensure volume for R1, R3, R7 and R14 is applied to the necessary settlement process.
 - C. There should be no provision of interest applied to the settlement of R0, however normal interest should be applied to the difference between revisions as outlined in 14.38 for washups.
 - D. The Authority has indicated that no independent audit is required for this piece of work,
- Option 2: Use a process similar to that outlined in Part 14 Clearing and Settlement, Subpart 3 of the Electricity Industry Participant Code 2010, with certain provisions detailed by the Authority outlined below.
- A. When settling the six trading periods (and all the processes that flow from that) the clearing manager is to use the R14 volumes, for energy and reserves, and to calculate the amounts in relation to the FTR settlement.
 - B. There should be no provision of interest applied to the settlement.
 - D. The Authority has indicated that no independent audit is required for this piece of work,
- Option 3: Use a process similar to that outlined in Part 14 Clearing and Settlement, Subpart 3 of the Electricity Industry Participant Code 2010, with certain provisions detailed by the Authority outlined below
- A. Using a copy of CHASM, change the prices for the six trading periods to the correct prices and rerun full settlement process for the full month, with as little manual intervention as possible, to generate invoices including FTR, LCE and HSAs.
 - B. Calculate the difference between the original invoices settled on 20 September 2021 and the newly generated invoices, and create a final invoice (or statement) for these differences
 - C. There should be no provision of interest applied to the settlement
 - D. The Authority has indicated that no independent audit is required for this piece of work,
- 2) In section 4.3, can you add a subsection for each of the two new options. If any of the options are not viable, then please describe why the option is not viable
 - 3) I note there is no section 4.2. Is this a numbering error, or has section 4.2 been accidentally omitted?
 - 4) Change the heading of Appendix 1 to Appendix 1A, and add an Appendix 1B and 1C with a high level analysis for the other two options. If an option is not viable (as described in the new section 4.3) then do not create an appendix for that option
 - 5) Change the heading of Appendix 2 to Appendix 2A, and add an Appendix 2B and 2C for the pricing and payment schedule for the other two options. If an option is not viable (as described in the new section 4.3) then do not create an appendix for that option

- 6) Change the heading of Appendix 3 to Appendix 3A, and add an Appendix 3B and 3C for the cost analysis for the other two options. If an option is not viable (as described in the new section 4.3) then do not create an appendix for that option

Once we have the details and costs of all the options, I will need to escalate to our SLT for a decision on how to proceed. I acknowledge this additional analysis could possibly delay the final settlement, so you may need to think about what the actual invoicing and subsequent settlement dates would be for sections 5 and 6 of the SOW. A non-binding indication of final settlement date(s) would be appreciated as this may aid our decision on selection of option.

Happy to discuss further if needed.

Grant Benvenuti
Principal Advisor
Electricity Authority

s9(2)(a)

From: s9(2)(a)@nzx.com>

Sent: Tuesday, March 26, 2024 3:32 PM

To: Grant Benvenuti s9(2)(a) Matt Carnihan s9(2)(a)

Cc: s9(2)(a)@nzx.com>; s9(2)(a)@nzx.com>

Subject: Statement of Work for August 9 2021, Excluded trading Period Settlement.

Hi Grant, Matt

Attached is the DRAFT Statement of Work detailing the approach, effort and cost associated with the settlement of trading periods 37 – 42 from August 9 2021.

I have left this as DRAFT as the date and completion fields need to be populated, and I would like to agree on the approach and pricing component.

Happy to discuss.

Thanks

s9(2)(a)

NZX Limited

Level 1, NZX Centre, 11 Cable Street, Wellington 6011
PO Box 2959, Wellington 6140, New Zealand

s9(2)(a)



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