

**From:** Luke Archer  
**Sent:** Wed, 8 Nov 2023 12:02:28 +1300  
**To:** Sean Martin; Reuben Irvine  
**Cc:** Julia Hall  
**Subject:** RE: EA quarterly update - OTC, monitoring [CCNZ-IMANAGE.FID371436]

Hi Sean, that's really helpful – thanks so much. We weren't able to attend the briefing and hadn't seen that the recording was available on your website!

Ngā mihi nui  
Luke



Luke Archer ([he/him](#))

Principal Investigator

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**From:** Sean Martin Section 9(2)(a) Privacy  
**Sent:** Wednesday, November 8, 2023 11:59 AM  
**To:** Luke Archer Section 9(2)(a) Privacy; Reuben Irvine Section 9(2)(a) Privacy  
**Cc:** Julia Hall Section 9(2)(a) Privacy  
**Subject:** EA quarterly update - OTC, monitoring

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Hi Luke

At today's meeting you asked about the EA stakeholder update that was held last month. The webinar was recorded and is available on our [website](#), but to save you having to watch that here's the relevant points from our CE Sarah Gillies relating to the OTC Code of Conduct and monitoring activity that we have planned (which includes a reference to us working alongside ComCom).

I want to take this opportunity to celebrate a great example of collaboration and congratulate the over-the-counter market working group for developing a voluntary Code of Conduct for those participating in the OTC market.

We started work on the over the counter market in 2022 in response to restrictions placed on some New Zealand electricity market participants' ability to access the Australian Securities Exchange futures market. We collected information and interviewed individual stakeholders to better understand the barriers to efficient trade in the OTC market.

We also supported the establishment of the OTC working group. The Group was established as the Authority identified a growing reliance on the OTC market for supplying risk management products that are essential to market efficiency and competition.

The group was run by participants. We facilitated the group to get to a voluntary Code that reflects their consensus on the behaviours and conduct consistent with an efficient and competitive OTC market.

All participants in the OTC market are encouraged to sign up to the voluntary Code.

Signatories to date include Meridian, Mercury, Genesis, Contact, Manawa, Prime, Electric Kiwi, Haast Energy Trading, 2degrees, NZ Steel, Flick Electric and Octopus.

It is a great example of industry participants working together to help the OTC market work better. We have published the voluntary Code of Conduct on our website today.

We continue to work with the group to develop appropriate monitoring arrangements which give all parties confidence signatories are keeping the commitments made to one another.

**Monitoring** is critical and we take it very seriously. We need data and information to make well informed decisions. We've spent time kicking the tyres on the wholesale market over the past two years and we continue to closely monitor behaviours and conduct.

We know there are ongoing concerns about competition in the market. We intend to increase our monitoring of the retail market and are in the process of identifying any gaps in data that will support a deeper understanding of current state.

We are also working alongside the Commerce Commission to ensure we are exercising our respective powers for the benefit of all consumers. Together with all our government and sector partners, we need good evidence to make good decisions.

Regards

**Sean Martin**  
Principal Communications and Engagement Advisor

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