

24 September 2021

Paul Baker
Commercial and Regulatory Manager
Nova Energy Ltd

By Email: S9(2)(a)

Dear Paul

**REQUIREMENT TO PROVIDE INFORMATION UNDER SECTION 46(2)(a) OF THE
ELECTRICITY INDUSTRY ACT 2010**

The Authority is requiring Nova Energy Limited to provide information under section 46(2)(a) of the Electricity Industry Act 2010 (Act).

Authority's power to require information

Under section 46(2)(a) of the Act, the Authority may require an industry participant to provide any information, papers, recordings, and documents that are in the possession, or under the control, of the participant for the purposes of carrying out the Authority's monitoring functions.

Reasons for requirement

As you know, the Authority is undertaking a review into competition in the wholesale market covering the period from the 2018 Pohokura outage to early 2021 (the Review). The Review is being undertaken under the Authority's monitoring function in section 16(1)(g) of the Act, which is:

to undertake industry and market monitoring, and carry out and make publicly available reviews, studies, and inquiries into any matter relating to the electricity industry

As part of the Review, we need to understand the price paid for gas over the review period. This information is relevant for the review as the gas price affects the spot electricity price either directly by gas generators being marginal, or indirectly through water values and the opportunity cost of the gas for other uses.

Information required to be provided

The Authority therefore requires Nova to provide the gas supply agreements, contracts, term sheets, heads of agreements or other documents evidencing gas supply and/or purchase commitments covering the list of 54 gas transactions with Contact, Genesis & Mercury of 5TJ and greater since 1 Jan 2017 referred to by Paul Baker in his email to Doug Watt on 22 September 2021. In addition, the Authority requires a similar set of gas supply agreements for industrial gas sales also referred to in that same email.

To avoid doubt, we are not asking for information on spot trades on EMStradepoint.

Response to requirement to provide information

Please ensure the required information is provided by 5pm, 29 September 2021.

Please note that the Authority will only extend these deadlines in exceptional circumstances. If you wish to seek an extension of time, please apply for one in writing no later 5pm on 27 September and include your reasons for seeking the extension.

In all cases if it is not possible to provide all or any part of the above information (for example if the information does not exist), please contact Doug Watt (contact details below), and clearly explain what part of the information you are unable to provide and what, if anything, you propose to provide instead. If we agree, then the Authority may allow you to provide only those parts of the requested information that it is practicable for you to provide.

Please identify as part of your response any information that you consider to be confidential, including the reasons why you consider the information is confidential. The Authority will treat confidential information as confidential and will not disclose it except to the extent that disclosure is required to enable the Authority to carry out its obligations and duties under the Act (including but not limited to carrying out and making publicly available reviews under section 16(g) of the Act), the regulations or Code, or is otherwise compelled by law.

The Authority may need to share some or all the information Nova provides with the Minister of Energy and Resources and other government agencies, including for example the Treasury, the Commerce Commission and the Ministry of Business, Innovation and Employment. If the Authority proposes to share Nova's information as described above, the Authority will notify you beforehand.

The Authority may be requested to release the information under the Official Information Act. The Authority needs to consider each request on a case by case basis. If the Authority receives a request and does not consider it is able to withhold the information, staff will consult with you before the Authority makes a final decision as to whether to release any of the information.

Compliance with requirements to provide information

Failure to comply with this requirement to provide information under section 46 of the Act is treated as if it were a breach of the Electricity Industry Participation Code 2010. In the event of such failure to comply, the Authority may apply to the Rulings Panel for any order under section 54 of the Act.

Further information

If you have any questions about this letter, please contact Doug Watt, Manager Market Monitoring at S9(2)(a)

Yours sincerely,



James Stevenson-Wallace
Chief Executive