

FN-25-08 Fortnightly report 24 April 2025

This report summarises items that may be of interest to the Minister for Energy but do not necessarily require a formal briefing. Further information on any topic can be provided on request. Substantive items and decision papers will be provided to the Minister in the form of briefings.

Electricity Authority contact: Sarah Gillies, Chief Executive

Mobile: s9(2)(a)

1. Upcoming publications

Decision: Code amendment Omnibus #4

Strategic outcome	Efficient: <i>Innovation and distributed energy</i>
Purpose	<p>The paper is the Authority's decision on four proposed small Code amendments:</p> <ul style="list-style-type: none"> • access to a consumer's own electricity data • removal of the system operator's time keeping requirement • inclusion of a new wholesale market hedge product (fixed price variable volume) for the clearing manager to settle • removal of the requirement for the Authority to publicly consult on the causer of an underfrequency event.
Action and timing	Intended publication: early May

Consultation: Evolving electricity retailing and switching

Strategic outcome	Efficient: <i>Innovation and distributed energy</i>
Purpose	<p>This paper will consult on two proposed changes:</p> <ul style="list-style-type: none"> • enabling consumers to choose separate retailers for buying their electricity and selling their distributed generation. This would set the foundation for further expansion of multiple trading, such as having different retailers for loads • optimise the industry's smart meter switching processes and industry efficiency as the industry has evolved.
Action and timing	Intended publication: mid-May

Energy Competition Task Force Initiatives 1A

"Update Paper: Enabling new generation entry—Options for Power Purchase Agreements"

Strategic outcome	Efficient
Purpose	This paper sets out the Task Force's direction for its work to support competitive generation entry, including for generation supported by Power Purchase Agreements (PPAs).

	It covers our intention to now incorporate this work in the Level Playing Field initiative work – a different way to achieve a similar outcome, with less risk of distortion.
Action and timing	Board to consider: 13 May 2025 Intended publication: 29 May 2025
Energy Competition Task Force Initiatives 2D “Rewarding industrial demand response – Issues and options paper”	
Strategic outcome	Efficient
Purpose	<p>This paper seeks feedback on a proposed five-year vision for industrial demand response and on a roadmap of proposed actions to achieve this vision. The aim of this work is positioning industrial demand response within the wider demand-side flexibility system, including ensuring we are promoting industrial demand response where it is the most efficient option.</p> <p>The proposed actions include two ‘immediate’ actions which, subject to further decision making, are aimed at implementation for winter 2026:</p> <ul style="list-style-type: none"> • Development of an Emergency Reserve Scheme to access industrial demand response during periods of supply and demand imbalance • Development of a standardised flexibility product for demand response, promoting bilateral demand response arrangements.
Action and timing	Board to consider: 5 May 2025 Intended publication: 28 May 2025
Consultation: Promoting reliable electricity supply- Frequency-related Code amendment proposal	
Strategic outcome	Secure and resilient: <i>Effective risk management</i>
Purpose	<p>This paper will consult on proposed Code amendments to better enable the system operator to manage the frequency of our power system within the normal band.</p> <p>This will help address the issue of increasing variability in the frequency of our power system due to the rising amount of variable and intermittent resources (such as wind and solar generation) and decreasing system inertia.</p>
Action and timing	Intended publication: 6 May 2025

2. Consultation underway

Energy Competition Task Force Initiatives 1D and 1C Options paper “Level Playing Field measures – Options paper”	
Strategic outcome	Efficient: <i>Innovation and distributed energy</i>
Purpose	<p>The Authority is seeking feedback on a proposal to introduce mandatory non-discrimination obligations for hedge contracts that the four large gentailers – Genesis, Contact, Meridian and Mercury – would have to follow.</p> <p>This new rule would prevent the gentailers from giving preferential treatment to their retail arms for hedge contracts, i.e. make these contracts available to all industry participants on effectively the same terms as they use when trading internally.</p>
Action and timing	Consultation closes: 7 May 2025
Distributed generation pricing principles	
Strategic outcomes	Efficient: <i>Innovation and distributed energy</i>
Purpose	<p>We are consulting on ways to improve the distributed generation pricing principles that guide the cost of connecting distributed generation, such as wind and solar farms, directly to the network.</p> <p>Distributed generation plays an important role in bringing electricity to where it is needed most, and we want to ensure it is efficiently rolled out at the right places and at the right time.</p>
Action and timing	Consultation for cross-submissions closes: 22 April 2025
26 July 2024 under-frequency event	
Strategic outcomes	Secure and resilient: <i>Effective risk management</i>
Purpose	<p>We are seeking feedback from participants who may have been substantially affected by an under-frequency event on 26 July 2024 and our draft determination.</p> <p>This event occurred when 231MW of generation injection was interrupted or lost at the Clyde grid connection point, resulting in a drop in frequency to 49.14Hz in the South Island.</p> <p>Our draft determination is that Transpower as grid owner is the causer of this under-frequency event.</p>

Action and timing	Consultation closes: 13 May 2025
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3. Upcoming Electricity Industry Participation Code 2010 amendments

3.1. The following table has Electricity Industry Participation Code amendments that need to be presented to the House by the Minister's office within 20 working days following the date on which it is made.

Tracking number	Name	Date made	Date of Gazette notification	Date in force	Due date for presentation to the House
EIEPCA-25-007	Common quality requirements	26 March 2025	27 March 2025	1 May 2025	28 April 2025
EIEPCA-25-008	Retailer Default	14 April 2025	14 April 2025	15 May 2025	15 May 2025
EIEPCA-25-009	Spot Price Risk Disclosure	14 April 2025	14 April 2025	15 May 2025	15 May 2025
EIEPCA-25-0010	Backup Interim Price Method	14 April 2025	14 April 2025	1 July 2025	15 May 2025

4. Key external engagements

- 28 April: Minister Watts/CE and Chair
- 28 April: DPMC/CE
- 28 April: Council of Energy Regulators/GIC/MBIE/ComCom/CE
- 29 April: Blue Current Board/CE/GM Network System Change and Pricing
- 29 April: ENA/ERANZ networking event/CE/Chair
- 5 May: Business Energy Council/CE
- 6 May: EECA/CE/Chair
- 8 May: ETNZ Conference/Chair
- 8 May: NEOEN/Chair

Energy Competition Task Force work programme

Initiative	Current stage	Next published milestone	Next update to you
PPAs (1A)	Feedback received on published working paper on 28 February	s9(2)(f)(iv)	May – briefing
Standardised flex product(1B)	First phase completed – standardised super-peak hedge product launched	s9(2)(f)(iv)	
Virtual disaggregation (1C)	Outline published for feedback – now part of level playing field work	N/A	N/A
Level playing field measures (1D)	Outline of measures and proposal for non-discrimination obligations for gentailers published <ul style="list-style-type: none"> Feedback closes 7 May 	s9(2)(f)(iv)	
Initiatives promoting consumer choice (2A-C)	Feedback received on Code change proposals on 26 March	s9(2)(f)(iv)	
Short-term flexibility revenue (2D)	Developing papers for stakeholder feedback	s9(2)(f)(iv)	May – briefing