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To: The Electricity Authority
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Tie-breaker enhancements, materially large contracts, hedge disclosure obligations

Genesis Energy Limited (**Genesis**) welcomes the opportunity to comment on the Electricity Authority's (**the Authority**) *Code amendment omnibus #6: tie-breaker enhancement, materially large contracts, hedge disclosure obligations* consultation paper. Please find our responses to the consultation questions in the table on page two.

Yours sincerely,

Mitchell Trezona-Lecomte

Mitchell Trezona-Lecomte
Senior Advisor, Government Relations and Regulatory Affairs

Consultation questions and Genesis Energy's response

Minimum offer price exclusions for tie-breaker solutions

Questions	Comments
<p>Q2.1. Do you support the Authority's proposal to amend the Code to exclude intermittent generators from offering at \$0/MWh?</p> <p>Please explain your answer.</p>	<p>Yes, we are supportive of this proposal on the basis it is a targeted solution and is likely to enhance security of supply and improve efficiency. It is sensible to reduce reliance on manual processes and System Operator discretion, particularly given tie-breaker situations are expected to increase in frequency as intermittent generation continues to grow. We also agree with the Authority's and the System Operator's analysis showing the impact on intermittent generators will be minimal.</p>
<p>Q2.2. Do you agree the proposed amendment is preferable to the alternative options?</p> <p>If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>Yes.</p>
<p>Q2.3. Do you agree with the analysis presented in this Regulatory Statement?</p> <p>If not, why not?</p>	<p>Yes.</p>

Materially large contracts

Questions	Comments
<p>Q3.1. Do you agree there is an issue with how the current Code recognises the benefits of new generation, most notably for wind and solar, for the purposes of determining whether an arrangement constitutes a MLC?</p>	<p>Yes, we agree with the Authority's problem definition. The MLC requirements should allow for and encourage new generation development (and certainly should avoid disincentivising it). The issue as identified by the Authority is contrary to the policy rationale for the offset provision, which was</p>

<p>If not, why not?</p>	<p>designed to recognise supply-enhancing investment in new generation.</p> <p>We note that electricity contracts between generators and industrial consumers are private commercial arrangements in a competitive market. In that context, any regulatory oversight should be proportionate and targeted to clearly identified risks, to avoid unintended impacts on efficient market outcomes.</p>
<p>Q3.2. Do you favour Option 1, Option 2, or an alternative option?</p> <p>Please explain your answer.</p>	<p>Our preference is for Option 2: amending the Code to recognise intermittent generation arising from new investment through a median generation offset.</p>
<p>Q3.3. Do you agree that offsets claimed for new generation should be calculated using prevailing industry standards and methodologies specific to each generation type (eg, wind, solar and geothermal)?</p> <p>If not, please explain your reasons and suggest any alternative approaches.</p>	<p>Yes.</p>
<p>Q3.4. Do you agree with allowing generators to choose between median generation and each point in time offsets?</p> <p>If not, please explain your reasons and suggest any alternative approaches.</p>	<p>Yes, as this will give generators due flexibility reflecting differing contract characteristics. The Authority could also issue guidance to provide clarification on what documentation and evidence is required to support each approach, to reduce uncertainty.</p>
<p>Q3.5. Do you agree the proposed amendments are preferable to the alternative options?</p> <p>If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>Yes.</p>
<p>Q3.6. Do you agree with the analysis presented in this Regulatory Statement? If not, why not?</p>	<p>Yes.</p>

Refining hedge disclosure obligations to increase transparency

Questions	Comments
<p>Q4.1. Do you support the Authority's proposal to require disclosure of the generating station?</p> <p>Please explain your answer.</p>	<p>Yes, we support the proposal and agree this is a workable approach. We also agree that generating station should not be published by the Authority to protect commercial sensitivity.</p>
<p>Q4.2. Can you identify any other way to more easily identify PPAs and differentiate between these and firming contracts without defining PPAs in the Code?</p>	<p>No. While disclosing parties could self-indicate whether they consider a contract to be a PPA or a firming (non-PPA) contract, we understand this may compromise data comparability if different participants define PPAs in different ways.</p>
<p>Q4.3. Do you agree a 10 business day timeframe for submission of information, and the same process requirements as those applying to risk management contracts, should be introduced for novel or other types of contracts?</p> <p>Please explain your answer.</p>	<p>Yes.</p>
<p>Q4.4. Do you agree with the proposal to include demand response contracts in the definition of risk management contracts and require disclosure of their key terms (including price and price structure) through the hedge disclosure system?</p> <p>Please explain your reasons and any impacts you foresee.</p>	<p>Yes. We note participants will likely require guidance on how to report demand response provisions, which could be done via the Hedge Disclosure System User Guide.</p>
<p>Q4.5. Do you agree this proposal would increase confidence in published price information?</p> <p>If not, why not?</p>	<p>Yes.</p>

<p>Q4.6. Do you agree the proposed amendment is preferable to the alternative options?</p> <p>If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.</p>	Yes.
<p>Q4.7. Do you agree with the analysis presented in this Regulatory Statement?</p> <p>If not, why not?</p>	Yes.