



MAJOR ELECTRICITY USERS' GROUP

5 February 2010

Lisa DuFall
Electricity Commission
By email to submissions@electricitycommission.govt.nz

Dear Lisa

Submission on reducing the delay for publishing bids and offers

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Commission consultation paper "*Reducing the delay for publishing bids and offers*", published 1st December 2009¹.
2. MEUG agrees, subject to two caveats, with the conclusion reached by the Commission (paragraph 3.8.4)

"Accordingly, the Commission proposes that the Rules be amended to provide for energy bids and offers, and reserve offers, to be published the next day rather than two weeks later."

The two caveats are:

- MEUG agrees the initial approach should be to release daily data in a single block the day after. However the option of proceeding to near real time release of individual trading period bids and offers after each trading period should be reviewed after say two years. Experience with the day after publications will give insights into the incremental benefits of even earlier publication. There may also be operational synergies if in the future more market information is published following the close of each trading period.
- The Commission urgently considering low cost ways to provide simple aggregated analysis of the data released. Release of the data in its current form is not easily accessible for most end consumers. We think there would be a public good benefit if the Commission were to provide some high level analysis of the data to turn into it useable information for consumers in the wholesale market.

For example several years ago the Electric Power Optimization Centre in the Engineering School of the University of Auckland published graphs updated each day summarising supply offer data. The Commission should investigate if that analysis could recommence or something similar.

¹ Refer <http://www.electricitycommission.govt.nz/consultation/bids-offers/view>

3. Responses and comments to the consultation paper questions follow:

Question	Response
1. Do you agree with the Commission's proposal to reduce the publication delay for energy bids and offers, and reserve offers, from two weeks to next day? If not, what are your reasons for disagreeing?	Agree.
2. Are there any additional costs or benefits that the Commission should take into account in its assessment of the options? In particular, would the Proposal impose undue costs on you that are not offset by the benefits?	None that MEUG is aware of.
3. What comments do you have on the Commission's assessment of the costs and benefits of the Proposal, and of the reasonably practicable options, and of the extent to which each meets the objectives?	<p>A very high level estimate of costs and benefits should have been made. These might be speculative, but at least an attempt to quantify the relative scale of benefits against costs should have been made.</p> <p>Nevertheless we accept the general conclusion of the Commission that the likely pro-competitive benefits will exceed the risk of increased anti-competitive behaviour and the incremental costs of software changes.</p>
4. What comments do you have on the proposed drafting to give effect to this Proposal (refer Section 4.1.2)?	Agree with the proposed rule change.

4. We look forward to the Commission proceeding with a recommended rule change to the Minister to implement this proposal as soon as possible.

Yours sincerely



Ralph Matthes
Executive Director