

MEUG 12-week rolling calendar week starting 29 May 2017

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~ Commerce (Select) Committee reported back to The House on the Energy Innovation (EV and other matters) Amendment Bill on 9-May. No material change to the Bill in relation to changes to mechanics of EECA levy and accountability of EECA. MBIE officials in giving advice to the select committee noted MEUG, BusinessNZ and the Motor Industry Association were "principally opposed to the use of levies to fund EECA's activities", with MGUG the same but for gas only. ERANZ supported BusinessNZ but "had taken a pragmatic approach to supporting the energy levy changes". Having made our point, the design of the levy is flawed but getting no traction with the select committee or government; our focus returns to improving EECA's performance in spending levy payers' monies.	
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~ The EA announced on 9 May the appointment of Lindsay Cowley and James Moulder as chairpersons of the new Innovation and Participation Advisory Group (IPAG) and the Market Development Advisory Group (MDAG) respectively.	
~ Last year on 2 June there was a high price event. Electric Kiwi alleged Meridian Energy Ltd (MEL) offer strategy breached the, as at that date untested, high standard of trading conduct requirements. The EA announced on 9 May a decision not to lay a formal complaint with the Rulings Panel; instead a warning letter was sent to MEL and the EA decision noted the Code may require further refinement and clarification.	
~ On 23 May the System Operator commenced publishing a Daily Security of Supply Update (https://www.transpower.co.nz/system-operator/security-supply/daily-security-supply-updates) to supplement the standard weekly update published each Tuesday in response to hydro storage levels approaching the 1% Hydro Risk Curve (1% HRC). The System Operator web site notes: "Although we don't expect storage to pick up in the short to medium term, we do not anticipate that any conservation campaigns, will be required. This is because we are relatively late in the year in terms of winter energy risk and it's likely we have sufficient water in the storage lakes to make it through to spring inflows."	
~ On 23 May, a Critical Contingency Notice was declared by the Critical Contingency Operator (CCO, appointed by the Gas Industry Company) for gas supply because: "During a planned outage of the Pohokura Production Station, pipeline linepack and pressures on the Transmission System dropped to the point where the Critical Contingency pressure threshold at Kapuni Gas Treatment Plant was breached. The CCO was required to declare a Critical Contingency because of the pressure threshold breach." The notice was terminated 7 hours later. An incident report is being prepared.	

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Parliament				
Energy Innovation (EV and Other Matters) Amendment Bill	Waiting for second reading			
Election day		24-Jun: 3-months B4 election		Election day 23-Sep
Ministerial & Departmental Policy				
MBIE				
* Energy targets	Energy targets published within next few months			
* NZ Energy Efficiency & Conservation Strategy re-fresh	New NZEECS published within next few months			
* Post Kaikora earthquakes review				Part of review of Wellington infrastructure resilience
* Electricity Demand & Generation Scenario forecasts				Will assess CBA of refresh using 1 additional actual year data after current model upgrade. Full EDGS update 2018Q1.
* Competition & Energy Markets regulatory systems				Due mid-2017.
* Commerce Act - work in progress:				Part 2, targeted Commerce Act review.
* Telecommunications Act 2001 review				Changes by 2020 - may be relevant to Part 4 of Commerce Act.
* Electricity Act 1992				LFUC regs - Working as intended? (was that intention correct anyway?). Within MBIE remit.
* Electricity Industry Act 2010 (EI Act)				If/when amended tag on provision for EA to set fees.
* MBIE convened Council of Energy Regulators				Scope of work and engagement with sector to be decided.
* National Computer Emergency Response Team				CERT co-ordinating with Transpower & others in the sector.
* IEA NZ 2017 review published Feb-17				MBIE considering IEA recommendations.
IRD				
* Decision on EDB rebates/discounts paper of Oct-16				Subs closed 28-Feb-17.

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Training				
NZX, Understanding Electricity Markets Masterclass	14-15 Jun		2-3 Aug	21-22 Nov
Energy Management Assoc. of NZ (EMANZ) courses				
Commercial skills development - Auckland	19-Jun			
Energy management for facilities managers - Auckland	22-23 Jun (Auckland)		24-25 Aug (Wellington)	
Auditing to the current Energy Audit Standard 3598/2014		19-Jul		Wellington
Energy Link (all in Wellington)				
Introduction to the electricity market		04-Jul		17-Oct.
Nodal pricing or electricity		05-Jul		18-Oct
Hedging electricity		06-Jul		19-Oct
ASX education event in collaboration with the EA		07-Jul		Target date for first event, tbc
Seminars and other				
BusinessNZ Energy Council (BEC) presentations:				
* Details tbc				
* Details tbc			tbc	3rd in a series of 3 on meeting climate change leaders.
* Lunchtime seminar, John Hancock, Management consultant				BEC Energy Panel - energy spokespeople
Energy Law Assoc. seminar, Nanette Moreau, Utilities Disputes Ltd	01-Jun		22-Aug	
LEANZ seminar, Dr Richard Meade	06-Jun			Topic, New wine in an old wineskin? How tech. changes affect why/how regulate
CEN 2017 Stakeholder event	07-Jun			
SGF, Tina Schirr (BEC), Energiewende - The German transition		30-Jun		
CC Competition Matters conference, Wellington		20-21 Jul		
ACCC/AER Regulatory conference, Brisbane		27-28 Jul		
Deloitte Energy Excellence Awards, Auckland			09-Aug	
Freeman media, Energy Trader Forum, Wellington			15-Aug	15-Nov.
Australia-NZ Climate Change Business Conference				10 & 11-Oct, Auckland
Geothermal Institute (UoA), NZ Geothermal Workshop				22-24 Nov, Rotorua

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Monopolies general				
EECA: Levy				Budget for 2017-18 dependent on passage of Energy Innovation Bill.
EECA: Lo emission vehicle contestable fund 2nd round				Tender closed 26-Apr. Target for 64k EV by end 2021.
Office of the Auditor General case studies on AMP practices		B4 end Jun: Completion		
Transpower (TPNZ) geneal:		22-Jun		Auckland
* Discussion on TPNZ's upcoming Auckland Strategy				20-Oct: Change from winter to shoulder ratings
* Grid owner non-variable rated circuit ratings				TPNZ work on hold
* TPNZ proposal early 2016 for a Transpower Works Agreement				
Monopoly services regulated by CC				
Aurora non-compliance enquiry				CC enquiry process not published.
Input Methodologies (IM)				
* TPNZ Capex IM review		14-Jun, subs	28-Jun, x-sub	2017Q3 Update on next steps and timing.
				2017Q4 Possible draft decision consultation round.
				2018Q1 Possible final decision on parts of IM relevant to IPP proposal for RCP3.
* TPNZ IRIS IM		30-Jun Final decision		
* Related party transactions (elec. & gas monopolies)			03-Jul to 31-Aug Draft decision published	subs due 01-Sep to 29-Sep
				01-Nov to 22-Dec final decision (eg IM and ID Δ's)
				Final decision 02-Oct to 22-Dec.
* Gas CPP info requirements				31-Jul to 29-Sep: Draft decision. 02-Oct to 22-Dec: Final decision.
* Dec-16 IM review decisions follow-on				Timing to be advised.
Information Disclosure (ID) and CC monitoring				Focus for CC this year.
Post IM review Δ's to ID for First Gas - Final decision		By end Jun		
Post IM review Δ's to ID for other monopolies		Draft by end Jun		Final decision by end 2017.

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Monopoly services regulated by CC - continued				
TPNZ IPP				
* Demand Response trial				Decisions due on tender round that closed 28-Apr.
* RCP2 listed projects ~ Central Park Wilton B reconductoring, request \$12.4m ~ HVDC line Haywards to Oteranga Bay.				TPNZ must seek approval for listed projects B4 end Jun-18. CC decision pending Application for approval possibly later this year
* Major capex proposals				Mid-18: Waikato and Upper NI voltage management potential application.
* Voltage disturbance working group (related to 1 of 9 development service perf. measures)			Jul-Aug: Next biannual meeting	
* Annual Integrated Transmission Plan (ITP)				B4 end Sep: Tabled with CC and then published.
* Annual IPP compliance statement and f/cast MAR update				Oct-17: submitted by TPNZ.
* CC determination of annual f/cast MAR update				Nov-17.
* RCP3 reset and new IPP starting 01-Apr-20 Proposed service performance measures Consultation on POS categorisation & VoLL TPNZ submission to CC				TPNZ considering subs on second engagement paper that closed 28-Apr. After ITP published end Sep. B4 end Sep-18 (ITP at that date forms basis for proposa)
DPP				
* Gas 2017-22 DPP final decision	31-May			
* Electricity DPP reset 01-Apr-20				Timing will flow from CC internal work on problem definition.
CPP Powerco application				
* Application lodged in recently determined new window	01-12 Jun			Application is published.
* CC decide if application is complete			Early Aug	
* CC consult on their views on application				Late Aug to early Sep
* Target final decision and go-live date				Decision 2018Q1 and go-live 01-Apr-18
CPP application windows for other EDB				12-19 Feb and 07-14 May-2018. 11-18 Feb-2019. None in last MYe of RCP2.

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Monopoly services regulated by EA				
System operator (SO)				No current governance topics. See also Markets work below.
TPNZ demand response (DR) protocol management, EA paper				Work to start on options to incorporate DR platform into spot market
EI Act s.16(1)(g), industry and market monitoring (monopolies):				
* Review of TLC's pricing and load control practices				With TLC for consideration
* Initial dashboards to compare EDB performance				To be published. Will include comparison with overseas EDB performance.
* Efficiency of distribution company arrangements				Develop scope (dependent on Gov. view on IEA recommendation re NZPC)
EI Act s.90 EDB applications for line-energy exemptions				
* Top Energy & Ngawha Generation application				EA considering
* Maybe relevant here is industry agreed neutral access & ID policy (EA letter to ENA/ERANZ 15-Mar)				EA says needs to be more than "simply ensuring equal access to, and sharing of, network data."
Code Part 12				
* TPM - process changes announced 26-Apr				Consultation on new CBA late 2017 or early 2018 Final decision on review 2018H1 Implementation of any new guidelines by Apr-20
* DDA - implementing a proposal				2017Q3: Second consultation paper EA including if/how DDA applies for secondary networks (from RAG review). Hearing held 23-24 May on Vector & EnTrust application for a declaratory judgement High priority issue for consumers
DDA - Court decision on EA jurisdiction DDA - outage information				
* Distribution pricing Δs to be cost-reflective & service-based Distribution pricing assumed by MEUG as part of T&C's in DDA				EA review EDB pricing roadmaps and provide feedback EA 2017-18 year: review of Distribution pricing principles 30-Sep: 1st 6-monthly progress report by EDB on implementing pricing roadmaps.

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Markets general ACCC review of elect. prices in Australia (started 27-Mar-17) ACCC gas market transparency measures (started 20-Apr-17) GNE HPS possible earliest exit from the market Nova's 360MW OCGT WPP start of consent window expires 23-May-17 Critical Contingency Notice (for gas supply)				Sep-17 preliminary insights report. Final report by 30-Jun-18. Quarterly reports over 3-years, first due Oct-17. 2022 2027 Incident report being prepared.
Markets work by EA Current members, David Bull and Hon Roger Sowry, terms end Board meetings	31-May 08-Jun	28-Jun	01-Aug	
Rulings Panel: Unison appeal to High Court - Solar City complaint				Hearing date not known
Working groups				
* Security & Reliability Council (SRC) meeting		13-Jul		
* Innovation & Participation Advisory Group (IPAG)	Jun: Nominations open for members, Aug: Members appointed			
* Market Development Advisory Group (MDAG)	Jun: Nominations open for members, Aug: Members appointed			
Regulatory Managers & Consumer representatives briefing	20-Jun			
2016 Code review programme (annual tidy-ups)	Jun: Board approve			
EI Act s.16(1)(f), market facilitation measures:				
* ASX cap products		Mid-17: ASX list \$130/MWh & \$300/MWh cap products at OTA & BEN		Once listed EA design and monitor performance metrics.
* Offsetting ASX & spot market prudential requirements		Jul-17: Evaluation report on applicability to NZ of ASX/AEMO work		
* ASX education event in collaboration with the EA		07-Jul		Target date for first event, tbc
* Possible standardisation of OTC & intermediating contracts				In evaluation phase
* Transparency on ASX development activity	Final format for regular publication soon			
* Retail consumers on spot awareness of & managemnt of risks		B4 end Jun: Announce next steps after considering survey results		
* What's My Number Campaign for Winter 2017	11-Jun to 20-Aug			EA have partnered with Consumer NZ
* Medically Dependent Consumers guidelines				EA have asked ERANZ to consider re secondary networks following RAG work.
* Education (not reg.) for secondary networks T&Cs/retail comp.				Part of EA response 23-May to RAG report.

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Markets work by EA - continued				
EI Act s.16(1)(g), industry and market monitoring (markets):				
* Final market performance enquiry reports published				
~ High spot prices 02-Jun-16 (Electric Kiwi alleged MEL breached Code)				Published 09-May-17. EA found MEL breached Code but decide to end investigation because this was 1st test of high standard of trading conduct provisions and "disparate opinions" on those provisions. EA noted the provisions may require refinement & clarification.
* Saves and win-backs post implementation review				
* C&I FPVV pricing vs ASX prices enquiry				Report possibly 2017Q4 (6 largest suppliers, 3-4 yrs data, ChCh, Akld)
* Lessons from South Australia blackout				
* SI AUFLS event 02-Mar-17				See also TPNZ Code Part 8 investigation.
Code Part 3				
* New WITS Trader release goes live				Oct-17
Code Part 6				
* Implement Distributed Generation Pricing Principles Code change that came into effect 09-Jan-17				LSI DG payments change from Apr-18. TPNZ reported to EA on 21-Apr-17 on LSI DG required to meet GRS to 31-Mar-20. Same process for LNI (TPNZ report 30-Aug) and UNI & USI (31-Jan-18)
* Review DGPP incremental cost ceiling				EA to revisit this after progress on TPM and distribution pricing

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Markets work by EA - continued				
Code Part 8				TPNZ investigating. See also EA s.16(1)(g) enquiry
* SI AUFLS event 02-Mar-17				
* NI ER implementation		20-Jun: Specific data due to ERM		ER Manager (ERM) asked for specific data 22-May 10-Oct: Approved procurement schedule published 22-Nov: ER providers table implementation plans with SO 10-Apr-18: SO issues ER Schedule, and Statemnt of ER Obligations (SEROs) Transition starts Apr-18 and new ER fully operational Jun-19 Future discussions on adding procurement, & a real time regime
* IR event charge and cost allocation - WAG report to EA		EA Board likely to consider		
* Possible new IR products - SO recommended none needed.			Jul: Close out report published	
* Normal Frequency Management - strategic review				EA to consider subs that closed 09-May and decide next steps
Code Part 9				
* Review of stress test regime		May: Decision		
* Review of customer compensation scheme		May: Decision		EA including if/how CCS applies for secondary networks (from RAG review).
* PROPS -biannual updates progressed as they arise				SO to develop template to improve & likely lower biannual revision compliance costs.
* NZ Generation Balance Assessment rolling 6 month risk f/cast				11-Sep (CAN 04-May) risk of a small gen. shortfall if large NI thermal unavailable.
* Daily SOS Updates published from 23-May				Supplements weekly SoS updates given approaching 1% HRC.

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Markets work by EA - continued				
Code Part 10, 11, 15				
* New participant audit regime implementation	01-Jun: Go live			
Code Part 11 Registry Information Management				
* 2nd training course for registry users, Auckland		27-28 Jun		
* Data & data exchange		Jun or Jul: Issues paper		These 3 topics are - interrelated and have wider scope than just Part 11
* Barriers to mass participation		B4 end Jun: Issues paper		
* Multiple trading relationships				
Code Part 13:				This calendar year: Issues paper
* Implementing shorter gate closure and bid & offer revisions	May: Code amendment gazetted			
		29-Jun, Code amendment goes-live		
* Annual hedge declaration certificates due		30-Jun for MYe17		
* FTR market:				
FTR enhancements				EA considering subs that closed 09-May.
Possible new FTR hubs				3 potential hubs: Whakamaru, Redclyffe, Kikiwa
2017 FTR Allocation Plan released	End May			
* Wholesale market info: Review of cl. 13.2 exclusions		Jul: Consultation paper published and workshop held		
* High standard of trading conduct (cl. 13.5A, B) - review?				Refinement & clarification signaled in 02-Jun-16 hi price event decision 09-May-17.
* Improving accuracy of hours ahead forecast prices				EA considering 15 subs lodged by closing date of 04-Apr
* Dispatch-based Real-time-pricing (RTP)	Jun: Consultation including a briefing session			
* Offer and dispatch	Jun: Wind generation offers consultation			
* Dispatchable Demand (DD) - EA considering EnerNOC proposals				ie aggregators as agents at conforming nodes, & block dispatch multiple GXPs
* Review of wholesale market trading arrangements				Work yet to start. Re-drafting Part 13 to improve clarity.