

MEUG 12-week rolling calendar week starting 3 July 2017

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Parliament	2
~ The Energy Innovation (EV and other matters) Amendment Act was enacted on 27-June. A win for MEUG with lower (decrease by 60%) EECA electricity levy rates for electricity users (just over \$7m pa savings for all users'). We'll take the win but it is still a work in progress as we are not satisfied as to why electricity users should be paying the remaining levy of ~\$5m pa. Similarly, gas and fuel users, now subject to EECA levies, will or should be asking the same.	
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~ The NZ Energy Efficiency and Conservation Strategy (NZECS) 2017-2022 was published on 27-Jun. 5-yearly updates of NZECS are required in terms of the Electricity Efficiency & Conservation Act to guide EECA work for forthcoming years. There are 3 quantifiable targets: 1. Decrease in industrial emissions intensity (kg CO ₂ -e/\$ Real GDP) of at least one per cent per annum on average between 2017 and 2022; 2. Electric vehicles make up two per cent of the vehicle fleet by the end of 2021; and 3. Ninety per cent of electricity will be generated from renewable sources by 2025 (in an average hydrological year), providing security of supply is maintained. There is much, some material, we could take issue about in the logic and analysis of this new NZECS, just as we have with prior NZECS. However, given the targets are not enforceable and can be considered as political aspirations, plus the underlining problem is the poor policy foundation of the original Electricity Efficiency & Conservation Act 2000 – no action to be taken.	
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~ CC final decision to approve Transpower's Central Park Wilton B line reconductoring listed project at a maximum cost of \$10.6m was announced 28-Jun. Project to be completed summer of 2019. MEUG supported the work being undertaken. The CC acknowledged submissions by Transpower and MEUG that may be relevant to the current review of the Transpower Capex IM. The question of who pays for this work will be decided in either the EA or Transpower reviews of TPM. ~ CC announced their decision (part of IM review carried over from last year) of Transpower Incremental Rolling Incentive Scheme on 29-Jun.	
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~ On 19-Jun Transpower commenced consultation on a proposed operational review of the TPM. The following day the EA announced deferral of a decision to procure external advice on the CBA for their review of the TPM guidelines.	
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~ Implementation of shorter gate closure went live 29-Jun. Excellent change from 2 to 1-hour. Several years to get here. If we find no problems with 1-hour, we'll be asking to reduce gate closure further.	

MEUG 12-week rolling calendar from week starting 03-Jul-17	Jul-17	Aug-17	Sep-17	Long-term timeline & notes
Parliament				
Election day			23-Sep	
Ministerial & Departmental Policy				
MBIE				
* Energy targets				Government to assess after NZ Productivity Commission report on transitioning to a lower net emissions economy. NZPC to report to Ministers by 30-Jun-18.
* Post Kaikōura earthquakes review				Part of review of Wellington infrastructure resilience
* Electricity Demand & Generation Scenario forecasts				Upgrading model - then assess CBA for refresh using 1 additional actual year data. Full EDGS update 2018Q1.
* Competition & Energy Markets regulatory systems				Due mid-2017.
* 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?).
* 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.
* MBIE petrol price enquiry report to Minister	Soon			
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		2-3 Aug		21-22 Nov
Energy Management Assoc. of NZ (EMANZ) courses				
Energy management for facilities managers - Wellington			24-25 Aug	
Commercial Building Energy Specialist - Auckland			11-15 Sep	
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 - Auckland	07-Jul			
Seminars and other				
CC Competition Matters conference, Wellington		20-21 Jul		
Energy Users Assoc. of Aust., Victorian Energy Forum, Melbourne		26-Jul		
ACCC/AER Regulatory conference, Brisbane		27-28 Jul		
BusinessNZ Energy Council (BEC) presentations:				
* Energy Panel 2017 - Wellington		02-Aug		Minister Collins + Labour, Greens, NZ First, ACT & TOP party reps
* Lunchtime seminar, John Hancock, Management consultant			22-Aug	
Deloitte Energy Excellence Awards, Auckland		09-Aug		
Freeman media, Energy Trader Forum, Wellington			15-Aug	15-Nov.
Deloitte-BusinessNZ Election Conference 2017, Wellington			23-Aug	
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: Electricity efficiency levy				Budget for 2017-18 lower than last year following passage of Energy Innovation Act. Budget proposal for 2018-19, to be consulted on ~Sep, must also comply with new consultation requirements in the Energy Innovation Act.
EECA: Lo emission vehicle contestable fund 2nd round	Jul: EA Board consider			Tender closed 26-Apr. Target for 64k EV by end 2021.
Transpower (TPNZ) general: * TPNZ Stakeholder forum * Grid owner non-variable rated circuit ratings * TPNZ proposal early 2016 for a Transpower Works Agreement		27-Jul		Topics: Rev. & Pricing, TPNZ Planning Report, Demand Response 20-Oct: Change from winter to shoulder ratings. TPNZ advised 23-Jun that work to recommence.
Monopoly services regulated by CC				
Aurora non-compliance enquiry				CC enquiry process not published.
Input Methodologies (IM) * TPNZ Capex IM review * Related party transactions (elec. & gas monopolies)				2017Q3 Update on next steps and timing following close x Subs 28-Jun. 2017Q4 Possible draft decision consultation round. 2018Q1 Possible final decision on parts of IM relevant to IPP proposal for RCP3.
		03-Jul to 31-Aug Draft decision published		
			01-Sep to 29-Sep, Subs due	
				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 Post IM review Δ's to ID for First Gas - Final decision Post IM review Δ's to ID for other monopolies	Soon Draft soon			Focus for CC this year. 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				
* Electricity DPP reset 01-Apr-20				Timing will flow from CC internal work on problem definition.
CPP Powerco application				
* CC decide if application is complete		Early Aug		
* CC publish consultation paper		August		
* Submissions due			September	
* CC publish draft decision, subs then x-subs				Draft decision Nov-17, subs due Dec-17, x-subs due Jan-17.
* Final decision and go-live				Final decision 29-Mar-18, go-live date 01-Apr-18.
CPP application windows for other EDB				12-19 Feb and 07-14 May-2018. 11-18 Feb-2019. Aurora plan to make an application, target go-live Apr-20. 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):				
* 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 - EA review of guidelines (cl. 12.81(1)(b)) to Δ TPM				Procurement for CBA advice postponed 20-Jun-17. Next steps tba.
* TPM - TPNZ operational review 2 proposal (cl. 12.85)				Op. reviews are within current TPM guidelines. 1st operational completed 2015.
~ TPNZ publish report on estimating LRMC				By Dr Steven Batstone (peer reviewed Dr Grant Read)
~ TPNZ to decide next steps after considering subs				At earliest prices would change 01-Apr-19 and or 01-Apr-20.
* DDA - implementing a proposal				2017Q3: Second consultation paper
DDA - Court decision on EA jurisdiction				EA including if/how DDA applies for secondary networks (from RAG review).
DDA - outage information				Hearing held 23-24 May on Vector & EnTrust application for a declaratory judgement
* Distribution pricing Δs to be cost-reflective & service-based				High priority issue for consumers
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)			Sep-17 preliminary insights report	Final report by 30-Jun-18.
ACCC gas market transparency measures (started 20-Apr-17)				Quarterly reports over 3-years, first due Oct-17.
GNE HPS possible earliest exit from the market				2022
Nova's 360MW OCGT WPP start of consent window expires				2027
SO investigation on value of publishing sensitivity of f/cast price in a TP to Δ 's in S/D				Next steps depends on survey (closed 30-Jun) results and CBA of options.
Vector JR of UDL decision re Penrose substation event Oct-14		07-Jul, further applications for leave to intervene close		
			25-Aug. 2nd case management conference	Judicial Review (JR) likley to be heard 2018.
Markets work by EA				
Board meetings		01-Aug		
Rulings Panel: Unison appeal to High Court - Solar City complaint				Appeal accepted 19-Jun.
Working groups				
* Security & Reliability Council (SRC) meeting		28-Jul		
* Innovation & Participation Advisory Group (IPAG)		11-Jul nominations close		Aug: Appointment decisions, effective 01-Oct for 2-3 years.
* Market Development Advisory Group (MDAG)		11-Jul nominations close		Aug: Appointment decisions, effective 01-Oct for 2-3 years.
Regulatory Managers & Consumer representatives briefing			23-Aug	
2016 Code review programme (annual tidy-ups)	Jun: Board approve			
2017 Code review programme		Mid-Aug consultation begins		
EI Act s.16(1)(f), market facilitation measures:				
* ASX cap products			2017H2: 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 Users' group meeting, Wellington	06-Jul			
* ASX education event in collaboration with the EA - Auckland	07-Jul			
* Possible standardisation of OTC & intermediating contracts				In evaluation phase
* Transparency on ASX development activity				ASX have published 1st report and likley to update periodically. No further action.
* Retail consumers on spot awareness of & managemnt of risks		EA talking to retailers that offer spot prices		EA Board considered survey resuls Dec-16.

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<u>Markets work by EA - continued</u>				
EI Act s.16(1)(f), market facilitation measures - continued:				
* What's My Number Campaign for Winter 2017, started 11-Jun			20-Aug ends	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.) 4 secondary networks T&Cs/retail comp.				Part of EA response 23-May to RAG report.
EI Act s.16(1)(g), industry and market monitoring (markets):				
* Saves and win-backs post implementation review		Next steps announced		Next steps announced soon following EA Board consideration 28-Jun?
* 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 (ERM=ER Manager, ie NZ)				
~ Procurement schedule				
~ Implementation plans etc				
~ future enhancements: eg adding procurement, & a real-time regime				
* IR event charge and cost allocation - WAG report to EA				
* Possible new IR products - SO recommended none needed.				
* Normal Frequency Management - strategic review				
Code Part 9				
* Review of stress test regime				
* Review of customer compensation scheme				
* PROPS -biannual updates progressed as they arise				
* NZ Generation Balance Assessment rolling 6 month risk f/cast				
* Managing current dry-sequence event: ~ Daily SOS Updates published from 23-May				
* EA and SO review of SOS regime, including HRC calc.				

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Markets work by EA - continued				
Code Part 11 Registry Information Management				
* Data & data exchange				This calendar year: Issues paper
* Barriers to mass participation	11-Jul, subs			These 3 topics are
* Multiple trading relationships				- interrelated and have wider
Code Part 13:				This calendar year: Issues paper
* FTR market:				scope than just Part 11
FTR enhancements				EA considering subs that closed 09-May.
Possible new FTR hubs				3 potential hubs: Whakamaru, Redclyffe, Kikiwa
2017 FTR Allocation Plan released	Soon?			Soon: FTR Manager consults once CBA completed
* Wholesale market info: Review of cl. 13.2 exclusions				Jul: Consultation paper & updated guidelines published re WAG recommendations, 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	Jul: Decision paper			EA considering 15 subs that closed 04-Apr.
* Dispatch-based Real-time-pricing (RTP)		Aug: Consultation on Code Δ proposal, including briefing sessions Wgtn & Akld		
* Offer and dispatch	Jul: Wind generation offers consultation			
* Dispatchable Demand (DD) - EnerNOC proposed Δ's				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.