

MEUG 12-week rolling calendar week starting 24 July 2017

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Parliament	2
~ The Labour Party announced an election policy to pay super-annuitants and beneficiaries \$450/y/single person or \$700/y/couple or person with dependent children evenly spread over months May to September as a winter energy payments policy. Expected cost of \$374m pa on up-take of 80%.	
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~ CC settlement with Vector to repay households \$13.9m over next 2-years due to over-payment 2014 and 2015 and hence breach of DPP price-path announced 07-Jul.	
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~ Of interest in the 38 submissions to Transpower on their proposed TPM operational review 2 that closed 10-Jul, was the Energy Trusts of New Zealand Inc. that submitted: <p style="margin-left: 40px;">“While we recognise that it is outside the scope of the Operational review, it is becoming increasingly apparent that the legislative right to recover sunk costs is becoming a major barrier to efficient TPM reform. With the pace of change in the consumer area there is a distinct possibility that, in the future, significant numbers of customers will be able to become self sufficient. This means that past bad investment decisions should not be paid for by customers but by those that made them. That applies to Transpower as well as to others. Moving the inefficient costs downstream is a recipe for bypass.”</p>	
Markets general	7
~ On Thu 13-Jul the current South Island (SI) dry-event appears to have peaked with daily demand of 125.7 GWh and average daily spot prices at BEN of \$395/MWh. Daily demand and prices have since decreased though both are still relatively high. On Fri 21-Jul SI storage moved back above the 2% Hydro Rick Curve (HRC). Both SI and NZ storage are now between the 1% HRC and 2% HRC.	
Markets work by EA	7-10

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Parliament				
Election day			23-Sep	
Ministerial & Departmental Policy				
MBIE				
* MBIE convened Council of Energy Regulators		Has and will continue to met		Scope of work and engagement with sector to be decided.
* Competition & Energy Markets regulatory systems	Due mid-2017			
* Commerce Act, targeted review decisions 27-Jun-17:				
~ Publication of cabinet papers and RIS	soon			
~ Δ to Act to allow Min. to ask CC to undertake market studies				No timing announced. Also other minor Δ's to improve enforcement actions.
~ s.36 (misuse of market power) - further advice sought				Minister to report back to Cabinet by 30-Jun-18
* MBIE fuel market financial performance study, 04-Jul-17				Officials considering. An option is the market studies Δ to the Act noted above.
* Electricity Demand & Generation Scenario forecasts			Possibly this year	Upgrading model - then assess CBA for refresh using 1 additional actual year data. 2018Q1
~ Refresh this year				
~ Full update				
* Energy targets - Government to consider after NZPC report.				After Jun-18, being the date NZ Productivity Commission reports on transitioning to a lower net emissions economy.
* Telecommunications Act 2001 review				Changes by 2020 - may be relevant to Part 4 of Commerce Act.
* Electricity Act 1992 - Review of LFUC				No timing announced. Working as intended? (was that intention correct anyway?).
* IEA NZ 2017 review, Feb-17: MBIE to advise Ministers				No timing announced on officials advice on IEA recommendations.
* Elect. Industry Act 2010 (EI Act) - amend so EA can set fees				Waiting for opportunity to add this small change into other changes
* Cyber Security policy/implmenation in electricity sector				TPNZ, National Cyber Security Centre (GCSB), EA and Control Systems Security Information Exchange (CSSIE) members co-ordinating policy work. Computer Emergency Rspnse Team (CERT, MBIE) manages actual events.
* H&SW Act: MBIE policy, WorkSafe implementation				Live line work is a topical issue.
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				17-Oct
Nodal pricing or electricity				18-Oct
Hedging electricity				19-Oct
ASX education event in collaboration with the EA - Auckland				
Seminars and other				
Energy Users Assoc. of Aust., Victorian Energy Forum, Melbourne	26-Jul			
EPOC 1-day mini seminar (visiting academics Berkeley, Stockholm)	27-Jul			Electric Power Optimisation Centre (U. of A.) usual winter seminar in September
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.
SGF lunchtime seminar, Andy Burgess (Ofggem), The UK's "smart, flexible energy system" - making energy work for everyone?	16-Aug			Smart Grid Forum (SGF) is run by MBIE
Deloitte-BusinessNZ Election Conference 2017, Wellington		23-Aug		
Australia-NZ Climate Change Business Conference			10 & 11-Oct, Auckland	
Infrastructure NZ, Building Nations Symposium 2017				26-27 Oct, Wellington
LPG Assoc. & GANZ, Gas Industry Forum 2017				07-09 Nov, Taupo
Geothermal Institute (UoA), NZ Geothermal Workshop				22-24 Nov, Rotorua
PEPANZ, NZ Petroleum Conference				26-28 Mar, Wellington

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Monopolies general				
EECA: Electricity efficiency levy consultation for 2018-19		~ Sep		
EECA: Lo emission vehicle contestable fund 2nd round decisions	Soon			Tender closed 26-Apr. Target for 64k EV by end 2021.
Transpower (TPNZ) general:				
* TPNZ Stakeholder forum	27-Jul			Topics: Revenue & Pricing, Transmission Planning Report, Demand Response, Auckland strategy, and Innovation
* Grid owner change from winter to shoulder ratings			20-Oct	
* Transpower Works Agreement consultation	Soon			
Monopoly services regulated by CC				
Aurora non-compliance enquiry				Ongoing.
Input Methodologies (IM)				
* TPNZ Capex IM review				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.
* Related party transactions (elec. & gas monopolies)	By end 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. 02-Oct to 22-Dec, Final decision. Timing to be advised.
* Gas CPP info requirements	31-Jul to 29-Sep, Draft decision			
* Dec-16 IM review decisions follow-on work.				
Information Disclosure (ID) and CC monitoring				Focus for CC this year.
Post IM review Δ's to ID for First Gas - Final decision	Soon			
Post IM review Δ's to ID for other monopolies - subs due	28-Jul			Final decision by end 2017.

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Monopoly services regulated by CC - continued				
TPNZ IPP				Decisions due on tender round that closed 28-Apr.
* Demand Response trial				TPNZ must seek approval for listed projects B4 end Jun-18.
* RCP2 listed projects ~ HVDC line Haywards to Oteranga Bay.				Application for approval possibly later this year
* Major capex proposals ~ Waikato & UNI Voltage Management - update announced	soon			Preliminary advice is scope/cost reduced and RFP delayed 2-3 years beyond 2017.
* Key Base capex ~ Central NI constraints (Bunnythorpe-Mataroa 110kV & Tokaanu-Whakamaru 220 kV)				Dec-17 Tokaanu intertrip upgrade 2018Q3: Series reactor and new SPS on Bunnythorpe-Mataroa 110kV.
* Voltage disturbance working group (related to 1 of 9 development service perf. measures)	Jul-Aug: Next biannual meeting			
* Annual Integrated Transmission Plan (ITP) published			By 29-Sep	
* 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-18.
* 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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<p>Monopoly services regulated by EA</p> <p>TPNZ demand response (DR) protocol management, EA paper</p> <p>EI Act s.16(1)(g), industry and market monitoring (monopolies):</p> <ul style="list-style-type: none"> * Initial dashboards to compare EDB performance * Efficiency of distribution company arrangements 				<p>Work to start on options to incorporate DR platform into spot market</p> <p>To be published. Will include comparison with overseas EDB performance. Develop scope (dependent on Gov. view on IEA recommendation re NZPC)</p>
<p>EI Act s.90 EDB applications for line-energy exemptions</p> <ul style="list-style-type: none"> * Top Energy & Ngawha Generation draft decision - subs due 	01-Aug			
<p>Code Part 12 Transport</p> <ul style="list-style-type: none"> * TPM - EA review of guidelines (cl. 12.81(1)(b)) to Δ TPM * TPM - TPNZ operational review 2 proposal (cl. 12.85) ~ TPNZ publish report on estimating LRMC ~ TPNZ to decide next steps (subs closed 10-Jul) 				<p>Procurement for CBA advice postponed 20-Jun-17. Next steps tba.</p> <p>Op. reviews are within current TPM guidelines. 1st operational completed 2015. By Dr Steven Batstone (peer reviewed Dr Grant Read)</p> <p>At earliest prices would change 01-Apr-19 and or 01-Apr-20.</p>
<p>Code Part 12A UoSA and distribution tariffs</p> <ul style="list-style-type: none"> * DDA - implementing a proposal <p>DDA - Court decision on EA jurisdiction</p> <p>DDA - outage information</p> <ul style="list-style-type: none"> * Distribution pricing Δs to be cost-reflective & service-based ~ 1st 6-monthly EDB progress report on pricing roadmaps * Review of distribution pricing principles 			30-Sep	<p>2017Q3: Second consultation paper</p> <p>EA including if/how DDA applies for secondary networks (from RAG review).</p> <p>Hearing held 23-24 May on Vector & EnTrust application for a declaratory judgement</p> <p>High priority issue for consumers</p> <p>EA review EDB pricing roadmaps and provide feedback</p> <p>In 2017-18</p>

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Markets general				
Southern Gen. Ltd (Mount Stewart wind farm) hedge RFP closes	26-Jul			
ACCC: ~ review of elect. prices in Australia (started 27-Mar-17) ~ gas market transparency measures (started 20-Apr-17)		Sep-17 preliminary insights report	Final report by 30-Jun-18.	
Eastland's Te Ahi O Maui 22 MW plant commissioned			Oct-17, first quarterly report due over next 3-years	Aug-18, geothermal binary plant at Kawerau.
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 14-Jul) results and CBA of options.
Vector JR of UDL decision re Penrose substation event Oct-14		25-Aug. 2nd case management conference		Judicial Review (JR) likley to be heard 2018.
Markets work by EA				
Board meetings	01-Aug		30-Aug	
Working groups				
* Security & Reliability Council (SRC) meeting	28-Jul			
* Innovation & Participation Advisory Gp. (IPAG) appointments	Aug			
* Market Development Advisory Gp. (MDAG) appointments	Aug			
Regulatory Managers & Consumer representatives briefing		23-Aug		
2016 Code review programme (annual tidy-ups) consultation	soon			
2017 Code review programme consultation		Mid-Aug		
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				tba
* ASX education event in collaboration with the EA		Sep		In evaluation phase
* Possible standardisation of OTC & intermediating contracts				
* Retail consumers on spot awareness of & managemnt of risks				EA talking to retailers that offer spot prices EA Board considered survey results Dec-16.

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Markets work by EA - continued				
Code Part 8				
* SO policy statement proposed changes - subs due		22-Aug		
* EA compliance check on asset owner routine testing of assets				Announced 18-Jul.
* SI AUFLS event 02-Mar-17				TPNZ investigating. See also EA s.16(1)(g) enquiry
* NI under-frequency event 15-Jun-17				SO draft report due
* NI ER implementation (ERM=ER Manager, ie NZ)				
~ Procurement schedule				
				soon: ERM initial draft to ER providers
				08-Aug to 05-Sep, consultation
				12-Sep ERM comments on subs to SO & EA
				03-Oct SO comments to EA. 04-Oct EA approves/declines procurement sch.
				10 Oct, ERM publishes approved procurement schedule
~ Implementation plans etc				and asset owners/ER providers receive procurement notices
				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 enhancements:				To-be-considered once implementation is on track.
eg 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				Decision soon
* Review of customer compensation scheme				Decision soon
* PROPS -biannual updates progressed as they arise				EA including if/how CCS applies for secondary networks (from RAG review).
* NZ Generation Balance Assessment rolling 6 month risk f/cast				SO to develop template to improve & lower biannual revision compliance costs.
* Managing current dry-sequence event:				No current f/cast shortfall risks
~ Daily SOS Updates published from 23-May				Note LIV-NAS-ROX variable line rating commenced 12-Jul (will end once event over)
~ 3rd industry conference call				Supplements weekly SoS updates given lake levels below 1% HRC.
* EA and SO review of SOS regime, including HRC calc.				tba if needed.
				Planned for 2017-18

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Markets work by EA - continued				
Code Part 10 Metering				
* Measurement Standards Laboratory workshop		05-06 Sep		For class A and B Meter Test Houses
Code Part 11 Registry Information Management				
* Workshop on register content code & EIEP consult. papers	15-Aug			
* Data & data exchange				This calendar year: Issues paper
* Barriers to mass participation				These 3 topics are
* Multiple trading relationships				Subs closed 11-Jul. - interrelated and have wider
Code Part 13:				This calendar year: Issues paper scope than just Part 11
* FTR market:				EA considering subs that closed 09-May.
FTR enhancements				
Possible new FTR hubs				Soon: FTR Manager consults once CBA completed
2017 FTR Allocation Plan released	Soon?			3 potential hubs: Whakamaru, Redclyffe, Kikiwa
* 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			Subs 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.