

MEUG 12-week rolling calendar week starting 23 October 2017

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~ Mercury Energy announced tenders had closed for the first NZ trial for a grid-scale battery at their R&D Centre adjacent to their moth-balled Southdown power station in Penrose. ¹ This is a good development for NZ Inc.																																					
Markets work by EA	7-10																																				
Several important announcements over the last month by the EA:																																					
~ Appointments to IGAP and MDAG announced (Chair already announced). Member affiliations, where known, noted for information only as members appointed for their individual expertise. MEUG Executive Committee members highlighted:																																					
<table border="1"> <thead> <tr> <th colspan="2">Innovation and Participation Advisory Group Chair: Lindsay Cowley</th> <th colspan="2">Market Development Advisory Group Chair: James Moulder</th> </tr> </thead> <tbody> <tr> <td>Luke Blinco</td> <td>Electric Kiwi</td> <td>James Flannery</td> <td>Contact Energy</td> </tr> <tr> <td>George Block</td> <td>Consumer NZ</td> <td>James Flexman</td> <td>Mercury Energy</td> </tr> <tr> <td>Glenn Coates</td> <td>Orion</td> <td>Darren Gilchrist</td> <td>Oji FS</td> </tr> <tr> <td>Melanie Lynn</td> <td>Meridian Energy</td> <td>Stu Innes</td> <td>emhTrade</td> </tr> <tr> <td>Allan Miller</td> <td>Uni. Of Canterbury</td> <td>Rebecca Osborne</td> <td>Transpower</td> </tr> <tr> <td>Terry Paddy</td> <td>Cortexo</td> <td>Bruce Rogers</td> <td>Orion</td> </tr> <tr> <td>Stephen Peterson</td> <td>Simply Energy</td> <td>Matt Rowe</td> <td>EnerNOC (O-I glass rep)</td> </tr> <tr> <td>Rod Snodgrass</td> <td>-</td> <td>James Tipping</td> <td>Trustpower</td> </tr> </tbody> </table>	Innovation and Participation Advisory Group Chair: Lindsay Cowley		Market Development Advisory Group Chair: James Moulder		Luke Blinco	Electric Kiwi	James Flannery	Contact Energy	George Block	Consumer NZ	James Flexman	Mercury Energy	Glenn Coates	Orion	Darren Gilchrist	Oji FS	Melanie Lynn	Meridian Energy	Stu Innes	emhTrade	Allan Miller	Uni. Of Canterbury	Rebecca Osborne	Transpower	Terry Paddy	Cortexo	Bruce Rogers	Orion	Stephen Peterson	Simply Energy	Matt Rowe	EnerNOC (O-I glass rep)	Rod Snodgrass	-	James Tipping	Trustpower	
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~ No changes to be made of Customer Compensation Scheme (CCS) or stress test regime following review that included consultation rounds end of last year.																																					
~ Top Energy granted an exemption from arm's-length rules for Ngawha generation subject, inter alia, not entering retail market. EA still considering exemption application for network support (to build diesel generation).																																					
~ Implementation of North Island Extended Reserves on hold with an update to be announced in December.																																					

¹ Mercury Energy media release, Direct grid connected battery could be a game-changer, 03-Oct-17, http://issuu.com/mercurynz/docs/media_release_direct_grid-connecte?e=25554184/53943647

MEUG 12-week rolling calendar from week starting 23-Oct-17	Oct, Nov-17	Dec-17	Jan-18	Long-term timeline & notes
<p><u>Ministerial & Departmental Policy</u></p> <p>MBIE</p> <ul style="list-style-type: none"> * Briefing for Incoming Minister (BIM) * MBIE convened Council of Energy Regulators * Competition & Energy Markets regulatory systems * Commerce Act, targeted review decisions 27-Jun-17: <ul style="list-style-type: none"> Δ to Act to allow Min. to ask CC to undertake market studies s.36 (misuse of market power) - further advice sought * MBIE fuel market financial performance study, 04-Jul-17 * Electricity Demand & Generation Scenario forecasts * Energy targets - Government to consider after Jun-18. * Telecommunications Act 2001 review * Electricity Act 1992 - Review of LFUC * IEA NZ 2017 review, Feb-17: MBIE to advise Ministers * Elect. Industry Act 2010 (EI Act) - amend so EA can set fees * H&SW Act: MBIE policy, WorkSafe implementation 				<p>To be tabled with Minister once appointment announced. BIM made public later. Scope of work and engagement with sector to be decided and published. Was due mid-2017.</p> <p>No timing announced. Also other minor Δ's to improve enforcement actions. Minister to report back to Cabinet by 30-Jun-18. Officials considering. An option is the market studies Δ to the Act noted above. 2018Q1</p> <p>Jun-18 is when NZ Productivity Commission reports on low emissions economy. Changes by 2020 - may be relevant to Part 4 of Commerce Act. No timing announced. Working as intended? (was that intention correct anyway?). No timing announced on officials advice on IEA recommendations. Waiting for opportunity to add this small change into other changes. Live line work is a topical issue.</p>
<p>IRD</p> <ul style="list-style-type: none"> * Decision on EDB rebates/discounts paper of Oct-16 				<p>Subs closed 28-Feb-17. IRD recently been in contact with affected EDB.</p>
<p>NZ Productivity Commission (NZPC)</p> <ul style="list-style-type: none"> * Low emissions economy 				<p>Final report due 30-Jun-18.</p>
<p>EECA: Electricity efficiency levy consultation for 2018-19</p>		Nov		

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Training				
NZX, Understanding Electricity Markets Masterclass		21-22 Nov		Wellington
Business NZ, Wellington Seminar			28-29 Nov	Wellington
Seminars and other				
Energy Users' Assoc. of Australia, Sth Australian Forum	24-Oct			Adelaide
Infrastructure NZ, Building Nations Symposium 2017	26-27 Oct			Wellington
LPG Assoc. & GANZ, Gas Industry Forum 2017		07-09 Nov		Taupo
Energy Trader Forum		15-Nov		Wellington
Geothermal Institute (UoA), NZ Geothermal Workshop		22-24 Nov		Rotorua
Sustainable Energy Assoc. of NZ (SEANZ):				
Technology training day		23-Nov		Hamilton
SEANZ 2017 conference, Generating connections		24-25 Nov		Hamilton
BusNZ Energy Council & Young Energy Professionals Network			14-Dec	Wellington
Downstream:				
Network Managers Forum				12-Mar-18, Auckland, by invitation only
Downstream conference				13-14 Mar-18, Auckland
PEPANZ, NZ Petroleum Conference				26-28 Mar-18, Wellington
NZ Minerals Forum 2018				29-30 May-18, Queenstown

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<p>Monopolies general</p> <p>Transpower (TPNZ) general:</p> <ul style="list-style-type: none"> * Transpower Works Agreement consultation * Engagement on "optioneering" Auckland strategy * Grid owner change from shoulder to summer ratings * Interconnection charges from 01-Apr-18 - published <p>* TPNZ publish companion papers to Battrey report of 07-Sep17:</p> <ul style="list-style-type: none"> Solar electricity generation Implications of electricity transport <ul style="list-style-type: none"> * TPNZ stakeholder forum 	<p>Oct</p>	<p>01-Dec</p> <p>02-Dec</p>	<p>By year end</p> <p>Late Nov/early Dec</p>	<p>Subs closed 26-Sep.</p> <p>Auckland strategy completed by Jun-18.</p> <p>Jul-17 estimate \$116/kW (6.4% decrease c.f. current \$124/kW)</p> <p>Above may Δ as CC considering TPNZ request for MAR smoothing balance RCP3.</p> <p>tba</p>
<p>Vector judicial review of UDL Penrose substation fire decision:</p> <p>Hearing</p>				<p>UDL=Utilities Disputes Ltd (was EGCC).</p> <p>05-09 Mar-18, Auckland. CC, ENA and MEUG are interveners.</p>
<p>Monopoly services regulated by CC</p> <p>Aurora non-compliance enquiry</p>				<p>Ongoing.</p>
<p>Input Methodologies (IM)</p> <ul style="list-style-type: none"> * TPNZ Capex IM review CC publish draft decision Subs due X-subs due Final decision <ul style="list-style-type: none"> * Related party transactions (elec. & gas monopolies) Final decision <ul style="list-style-type: none"> * Dec-16 IM review decisions follow-on work. 	<p>10-Nov</p>	<p>08-Dec</p> <p>22-Dec</p>	<p>14-Dec</p>	<p>2018Q1. Possible final decision on IM relevant to IPP proposal for RCP3.</p> <p>Complex. Δ's to ID also. May be 2-steps. 1st Δ's for ID starting 01-Apr-18.</p> <p>Leaving time to consider other Δ's.</p> <p>Timing to be advised.</p>
<p>Information Disclosure (ID) and CC monitoring</p> <p>Post IM review Δ's to ID for non-gas monopolies - Decision</p>			<p>By year end</p>	<p>Focus for CC this year.</p>

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<p><u>Monopoly services regulated by CC - continued</u></p> <p>TPNZ IPP</p> <ul style="list-style-type: none"> * Demand Response trial * RCP2 listed projects: <ul style="list-style-type: none"> HVDC line Haywards to Oteranga Bay. * Major capex proposals <ul style="list-style-type: none"> Waikato & UNI Voltage Management * Key Base capex <ul style="list-style-type: none"> Central NI constraints <ul style="list-style-type: none"> ~ Tokaanu intertrip upgrade ~ Series reactor, new SPS on Bunnythorpe-Mataroa 110kV Kawerau T13 interconnecting transformer replacement * Voltage disturbance working group - bi-annual meeting * CC determination of annual f/cast MAR update * RCP3 reset and new IPP starting 01-Apr-20 <ul style="list-style-type: none"> Proposed service performance measures Consultation on POS categorisation & VoLL TPNZ submission to CC Grid connected batteries economic 			Dec	<p>2016-17 registration cycle now closed. Next RFP round tba. TPNZ must seek approval for listed projects B4 end Jun-18. Application for approval possibly later this year</p> <p>Application mid-2018</p> <p>Bunnythorpe-Mataroa 110kV & Tokaanu-Whakamaru 220kV</p> <p>2018Q3 Subs closed 28-Jul.</p> <p>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 proposal) "unlikely to be so before 2022" (refer TPNZ Battery storage report Sep-17)</p>	
<p>DPP</p> <p>Electricity DPP reset 01-Apr-20</p> <p>EDB connected or community-scale batteries economic</p>				<p>Timing will flow from CC internal work on problem definition. 2020 (refer TPNZ Battery storage report Sep-17)</p>	
<p>CPP Powerco application</p> <p>Draft decision</p> <p>Subs due</p> <p>X-sub due</p> <p>Final decision and go-live</p> <p>CPP application windows for other EDB</p>	17-Nov		Dec	Jan	<p>Final decision 29-Mar-18, go-live date 01-Apr-18. 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.</p>

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<p><u>Monopoly services regulated by EA</u> TPNZ demand response (DR) protocol management, EA paper</p>				Work to start on options to incorporate DR platform into spot market
<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 				To be published. Will include comparison with overseas EDB performance. Develop scope (dependent on Gov. view on IEA recommendation re NZPC)
<p>EI Act s.90 EDB applications for line-energy exemptions</p> <ul style="list-style-type: none"> * Top Energy application relating to network support 				tba. This was 2nd leg of application. First leg exemption (Ngawha) granted Sep-17.
<p>Code Part 12 Transport</p> <ul style="list-style-type: none"> * EA review of TPM guidelines (cl. 12.81(1)(b)) * TPNZ proposed operational review #2 of TPM (cl. 12.85) TPNZ publish report on estimating LRMC TPNZ to decide next steps 				Next steps tba. Subs closed 10-Jul. By Dr Steven Batstone (peer reviewed Dr Grant Read) At earliest prices would change 01-Apr-19 and or 01-Apr-20.
<p>Code Part 12A Distributor UoSA and distributor tariffs</p> <ul style="list-style-type: none"> * DDA - second consultation paper * Distribution pricing Δs to be cost-reflective & service-based 2nd 6-monthly EDB progress report on pricing roadmaps * Review of distribution pricing principles 				Soon? Improving quality & timeliness of outage information is a hi priority issue for consumers EA review EDB pricing roadmaps and provide feedback 30-Mar-18 In 2017-18

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<p><u>Markets general</u></p> <p>ACCC: Review of electricity prices in Australia Gas market transparency measures</p>				Review started 27-May-17. Final report by 30-Jun-18. Programme commenced 20-Apr-17. Quarterly reports due for 3-years.
<p>Generation:</p> <p>TCC extensive 5-week refurbishment Eastland's Te Ahi O Maui 22 MW plant commissioned GNE HPS possible earliest exit from the market Nova's 360MW OCGT WPP start of consent window expires</p>	Nov			5-6 years further life B4 decide further extensive refurbishment Aug-18, geothermal binary plant at Kawerau. 2022 2027
<p><u>Markets work by EA</u></p> <p>Board meetings</p> <p>Meet the Board networking event</p>	31-Oct, 1-Nov	06-Dec	20-Dec	
<p>Security & Reliability Council (SRC) meetings IPAG (Innovation & Participation Advisory Group) meetings MDAG (Market Development Advisory Group) meetings Regulatory Managers & Consumer Representatives briefing 2017 Code review programme consultation</p>	31-Oct			Wellington. Auckland event 12-Mar-18 (evening B4 Downstream)
<p>EI Act s.16(1)(f), market facilitation measures:</p> <p>* ASX cap products listed</p> <p>* ASX Users' group meeting</p> <p>* Possible standardisation of OTC & intermediating contracts</p> <p>* EA re-commencing publishing weekly hedge analysis report</p>	24-Oct		19-Dec	tba tba tba
	Nov			
	2017H2			\$130/MWh & \$300/MWh cap products at OTA & BEN Once listed EA design and monitor performance metrics. Feb-18, Wellington In evaluation phase EA considering

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<p><u>Markets work by EA - continued</u></p> <p>EI Act s.16(1)(g), industry and market monitoring (markets):</p> <ul style="list-style-type: none"> * C&I FPVV pricing vs ASX prices enquiry * Lessons from South Australia blackout 				<p>Report possibly 2017Q4 (6 largest suppliers, 3-4 yrs data, ChCh, Akld)</p>
<p>Code Part 3 Market operation service providers</p> <ul style="list-style-type: none"> New WITS Trader release goes live Market operator user group meeting (NZX) System Operator investigation on value of publishing sensitivity sensitivity of f/cast price in a TP to Δ 's in S/D 	<p>Oct</p>	<p>23-Nov</p>		<p>Wellington</p> <p>Next steps depends on survey (closed 14-Jul) and CBA of options.</p>
<p>Code Part 6 Connection of distributed generation</p> <ul style="list-style-type: none"> * Implement Distributed Generation Pricing Principles Code change that came into effect 09-Jan-17 * Review DGPP incremental cost ceiling 				<p>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.</p> <p>Same process for LNI (TPNZ report 30-Aug) and UNI & USI (31-Jan-18)</p> <p>EA to revisit this after progress on TPM and distribution pricing</p>

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<p><u>Markets work by EA - continued</u></p> <p>Code Part 7 System Operator (SO)</p> <ul style="list-style-type: none"> * SO publishes System Security Forecast and seeks feedback 	<div style="border: 1px solid black; padding: 2px;">soon</div>			
<p>Code Part 8 Common Quality</p> <ul style="list-style-type: none"> * UFE's 11 and 15 Jun-17 - subs due * Under-frequency event (UFE) 02-Mar-17 - subs due * NI extended reserves implementation - next timetable update * System Operator policy statement changes * IR event charge and cost allocation - WAG report to EA * Possible new IR products - close out report * Normal Frequency Management - strategic review 	<div style="border: 1px solid black; padding: 2px; background-color: yellow;">07-Nov</div> <div style="border: 1px solid black; padding: 2px; background-color: yellow; margin-top: 5px;">21-Nov</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Dec</div>			<p>Important precedent setting case</p> <p>Subs closed 22-Aug</p> <p>Next steps tba</p> <p>tba</p> <p>Next steps tba</p>
<p>Code Part 9 Security of Supply (SoS)</p> <ul style="list-style-type: none"> * PROPS -biannual updates progressed as they arise * NZ Generation Balance Assessment rolling 6 month risk f/cast * EA and SO review of SOS regime, including HRC calc. 				<p>SO to develop template to improve & lower biannual revision compliance costs.</p> <p>No current f/cast shortfall risks</p> <p>Planned for 2017-18</p>

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<p><u>Markets work by EA - continued</u></p> <p>Code Part 11 Registry Information Management</p> <ul style="list-style-type: none"> * EIEP * Registry content * Data & data exchange - subs due * Barriers to mass participation * Multiple trading relationships - issues paper 	07-Nov		By year end	<p>Subs closed 22-Sep.</p> <p>Subs closed 06-Oct.</p> <p>Subs closed 11-Jul.</p> <p style="margin-left: 20px;"> These 3 topics are</p> <p style="margin-left: 20px;"> - interrelated and have wider</p> <p style="margin-left: 20px;"> scope than just Part 11</p>
<p>Code Part 13 Trading arrangements</p> <ul style="list-style-type: none"> * Wind generation offers - subs due * Wholesale market disclosure regime * RTP * FTR market: <ul style="list-style-type: none"> FTR enhancements Possible new FTR hubs - FTR Manager to consult 2017 FTR Allocation Plan released * Stress test quarterly disclosure statements for 2018Q1 due * Dispatchable Demand (DD) - EnerNOC proposed Δ's * Review of wholesale market trading arrangements 	07-Nov		Dec	<p>Subs closed 03-Oct.</p> <p>Subs closed 10-Oct.</p> <p>Subs closed 09-May.</p> <p>3 potential hubs: Whakamaru, Redclyffe, Kikiwa</p> <p>ie aggregators as agents at conforming nodes, & block dispatch multiple GXP's.</p> <p>Work yet to start. Re-drafting Part 13 to improve clarity.</p>
<p>Code Part 14 C&S:</p> <p>Offsetting ASX & spot market prudentials - subs due</p>	31-Oct			