

MEUG 12-week rolling calendar week starting 15 November 2018

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~ Government announced on 14-Dec-17 the Winter Energy Payment (WEP) will commence 01-Jul-18 and run for 13 weeks. This is part of a suite of Government Families Package policies. In future years it will start 01-May and run for 22-weeks. All superannuitants will be eligible for a WEP of \$450 pa for single people & \$700 pa for couples. Estimated cost over next 4-years of \$1.8b to be funded from cancelling prior Government's planned tax cuts.	
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~ Transpower published a report on solar photovoltaic (PV) panels on 11-Dec-17 stating "Overall, we found that the existing New Zealand power system can accommodate significant levels of solar PV in addition to the present generation mix and demand for electricity. This is due to the inherent capability of the system to provide two-way power flows (from north to south, and south to north) and for hydro generation to cover short-term variations in electricity generation from other sources." ✓	
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~ CC decisions:	
➤ Updated and more flexible asset health reporting requirements for Transpower, 08-Dec-17 ✓	
➤ Not to make changes to Gas Pipeline Business Input Methodology (IM) Customised Price-Quality Path (CPP) info requirements, 13-Dec-17.	
➤ Related party transactions, 21-Dec-17. Complex issue and last of 2-main IM issues to be reviewed. The other being Transpower Capex IM. Comprehensive consultation process by CC to arrive at decision. All parties will be interested to see how it works in practice. The draft TOR for MBIE's electricity price review relitigates the debate on the interface between regulated/non-regulated services.	
➤ Information disclosure amendments arising from the IM review decision last year, 21-Dec-17.	
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<u>Parliament</u> Sitting days (3-days starting Wed): <u>Ministerial & Departmental Policy</u> MBIE * Draft TOR for electricity price review feedback			30-Jan 13, 20, 27-Feb 20, 27-Mar 03-Apr		
NZ Productivity Commission (NZPC) * Low emissions economy final report		19-Jan			30-Jun
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<u>Training</u> The Energy Centre - Summer School in Energy Economics			19-22 Feb		Part of the Business School, Uni. of Auckland.
<u>Seminars and other</u> BusinessNZ, Back to Business 2018 function Energy Trader Forum Energy Users Assoc. of Australia, Tasmanian Energy Forum Downstream Strategic Summit: Network Managers Forum Downstream conference PEPANZ, NZ Petroleum Conference Energy Users Assoc. of Australia National Conference NZ Minerals Forum 2018		13-Feb 14-Feb	08-Mar 12-Mar 13-14 Mar	26-18 Mar	Wellington Wellington. Then 09-May Auckland and 08-Aug, 14-Nov both Wellington Hobart MEUG is a supporting organisation for this premium industry event. Auckland, by invitation only. Auckland Wellington 02-03 May, Melbourne. Theme: Future Thinking 29-30 May, Queenstown

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<u>Monopolies general</u> Transpower (TPNZ) general: <ul style="list-style-type: none"> * Transpower Works Agreement - final t&c's published Reply due on OIA for copy of all subs on TWA * TPNZs Auckland strategy * Grid owner change from summer to shoulder ratings * Interconnection charges from 01-Apr-18 * TPNZ publish Implications of electricity transport paper 	soon	29-Jan	15-Mar	01-Apr	MEUG OIA lodged 14-Dec. Completed by Jun-18. \$113.77/kW (8% decrease c.f. current \$124/kW) tba
Vector judicial review of UDL Penrose substation fire decision: Hearing, Auckland			05-09 Mar		UDL=Utilities Disputes Ltd (was EGCC). CC, ENA and MEUG are interveners.
<u>Monopoly services regulated by CC</u> CC open letter of 09-Nov on EDB priorities					Subs to be published. Feedback closed 22-Dec
Aurora non-compliance enquiry					Ongoing.
Input Methodologies (IM) * TPNZ Capex IM review - x-subs due, final decision	16-Jan		2018Q1		
TPNZ IPP * Demand Response trial * RCP2 listed projects: HVDC line Haywards to Oteranga Bay. * Major capex proposals Waikato & UNI Voltage Management * Key Base capex Central NI constraints ~ Series reactor, new SPS on Bunnythorpe-Mataroa 110kV Kawerau T13 interconnecting transformer replacement * Voltage disturbance working group - bi-annual meeting * RCP3 reset and new IPP starting 01-Apr-20 Proposed service performance measures Consultation on POS categorisation & VoLL TPNZ submission to CC Grid connected batteries economic					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 Application mid-2018 Bunnythorpe-Mataroa 110kV & Tokaanu-Whakamaru 220kV 2018Q3 Subs closed 28-Jul. tba TPNZ considering subs on second engagement paper that closed 28-Apr. tba 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)

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<u>Monopoly services regulated by CC - continued</u> DPP Electricity DPP reset 01-Apr-20 EDB connected or community-scale batteries economic					CC to advise process. Feedback on CC open letter 09-Nov closed 22-Dec. 2020 (refer TPNZ Battery storage report Sep-17)
CPP Powerco - x-subs on draft decision Post-final-decision review of process and lessons learned	19-Jan				Final decision 29-Mar, go-live date 01-Apr. tba
CPP WELL earthquake readiness - draft decision Subs x-subs MBIE reply due to OIA on correspondence with WELL Post-final-decision review of process and lessons learned	24-Jan	01-Feb 22-Feb 01-Mar			Final decision 29-Mar. OIA lodged 05-Dec. tba
CPP application windows for other EDB		12-19 Feb			07-14 May-2018. 11-18 Feb-2019. Aurora plan to make an application, target go-live Apr-20. No application window in last MYe of RCP2 (2019-20).
<u>Monopoly services regulated by EA</u> 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): * Efficiency of distribution company arrangements					Focus on ability to respond to technology Δ's, Δ from focus of prior project "efficiency of distribution company arrangements"
EI Act s.90 EDB applications for line-energy exemptions * Top Energy application relating to network support					tba. This was 2nd leg of application. First leg exemption (Ngawha) granted Sep-17.
Code Part 12 Transport * EA review of TPM guidelines (cl. 12.81(1)(b)) * TPNZ operational review #2 of TPM (cl. 12.85) Reply due to OIA for CBA on decision not to proceed		13-Feb			Next steps tba before 30-Jun. TPNZ announced 10-Jan not to proceed. MEUG OIA lodged 10-Jan.
Code Part 12A Distributor UoSA and distributor tariffs * DDA - second consultation paper * Distribution pricing Δs to be cost-reflective & service-based EA Board consider EA staff review of roadmaps to date EA publish overview of progress to date 2nd 6-monthly EDB pricing roadmap progress reports due * Review of dist. pricing principles & guidelines - consultation		07-Feb Soon	30-Mar Mar-May		Calendar year 2018

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<u>Markets general</u> ACCC: Review of electricity prices in Australia Gas market transparency measures					Review started 27-May-17. Final report by 30-Jun-18. EA BIM, Oct-17, appendix C: Lessons from Australia, helpfully tests if similar risks for NZ Programme commenced 20-Apr-17. Quarterly reports due for 3-years.
Generation: CEN SFD peaker 100MW, planned outage ends GNE Huntly 1 (Rankine), 250MW, planned outage ends Eastland's Te Ahi O Maui 22 MW plant commissioned Top Energy 2X28 MW (gross?) binary plants at Ngawha GNE HPS (Rankine units) possible earliest exit from the market Nova's 360MW OCGT WPP start of consent window expires	20-Jan	22-Jan			Aug-18, geothermal binary plant at Kawerau. Planned 1st 28 MW commissioned 2021, 2nd 28 MW commissioned 2026 2022 2027
<u>Markets work by EA</u> Board meetings Meet the Board networking event EA 2018-19 work programme & levy consultation Security & Reliability Council (SRC) meetings Nominations close for 3-SRC Council member vacancies Innovation & Participation Advisory Group (IPAG) meetings Market Development Advisory Group (MDAG) meetings Regulatory Managers & Consumer Representatives briefing 2018 Code review programme consultation subs EI Act s.16(1)(f), market facilitation measures: * ASX cap products listed. EA note ""experiencing delays because of adjustments to ASX margins and other risk settings" * ASX Users' group meeting * Possible standardisation of OTC & intermediating contracts * EA re-commencing publishing weekly hedge analysis report		07-Feb	12-Mar 12-Mar	05-Apr	Auckland (evening B4 Downstream) Subs closed 19-Dec-17. Decisions announced Government budget May-18. tba Working on "Equal Access Project" (see x-ref Part 11 work) Agenda papers for 1st meeting 21-Nov-17 to be published. Working on "Review of spot market trading conduct provisions" and, if achievable "saves & winbacks" & "participation of storage technology in the whoelsale mkt" Agenda papers for 1st meeting 28-Nov-17 to be published.
		23-Jan	2nd meeting in Feb		
			2nd meeting in Feb		
		14-Feb			
			06-Mar		
		Feb-18, tba			\$130/MWh & \$300/MWh cap products at OTA & BEN Once listed EA design and monitor performance metrics. Wellington In evaluation phase EA considering

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<u>Markets work by EA - continued</u> EI Act s.16(1)(g), industry and market monitoring (markets): <ul style="list-style-type: none"> * C&I FPVV pricing vs ASX prices enquiry * Lessons from South Australia blackout * Review of hedge market dynamic in winter 2017 * Monitoring for new technologies - review starts * EA educational portal prototype * Review of 02-Jun-16 high spot price event * Review of distribution sector * SI AUFLS trip 02-Mar-17 review * Post implementation reviews of 2015 prudential regime, DD, FTR 		2018Q1			Report published soon? (6 largest suppliers, 3-4 yrs data, ChCh, Akld) tba tba Prototype available CY18 Q2 report approved by Board. Not yet published. Scope approved by EA Board. Note work on dashboards will not be published. tba tba
Code Part 3 Market operation service providers Enhanced connectivity to NZX's energy market systems					Mid 2018
Code Part 6 Connection of distributed generation <ul style="list-style-type: none"> * DG in place 06-Dec-16 listed as eligible for ACOT payments: <ul style="list-style-type: none"> ~ Regulations Review Committee consideration ~ Lower SI (LSI) proposed list subs due ~ other region lists come into effect after consultation * Review DGPP incremental cost ceiling 		30-Jan			To consider complaint by TPW supported by IEGA, of Dec-16 Code Δ List comes into effect 01-Apr-18. LNI 01-Oct-18, UNI 01-Apr-19, USI 01-Oct-19. EA to revisit this after progress on TPM and distribution pricing

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<u>Markets work by EA - continued</u> Code Part 7 System Operator (SO) * SO publishes System Security Forecast and seeks feedback * Hydro Risk Curve (HRC) assumptions feedback		<div>soon</div> <div>19-Jan</div>			GNE proposed Δ for thermal fuel commercial limitations. MEUG oppose proposal.
Code Part 8 Common Quality * Under-frequency events (UFE) ~ UFE 02-Mar-17 final decision pending ~ UFE's 11 and 15 Jun-17 final decision pending * NI extended reserves implementation - EA Board considers Future enhancements: eg adding procurement, & a real-time regime * IR event charge and cost allocation - WAG report to EA * Possible new IR products - close out report * Normal Freq. Management - strategic review, Board considers		<div>07-Feb</div>	<div>Mar</div>		UFE 2017 YTD=3, 2016=1, 2015=0, 2014=4, 2013=14, 2012=4 Draft determination, Grid Owner caused 1st event (precedent setting), MEL 2nd event. Draft determination, CEN causer (not contested). Then next steps likely to be announced To-be-considered once implementation is on track. Next steps tba Then next steps likely to be announced
Code Part 9 Security of Supply (SoS) * Review of Official Conservation Campaign settings * 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.		<div>07-Feb</div>			Any refinements to be introduced prior to winter 2019. SO to develop template to improve & lower biannual revision compliance costs. No current f/cast shortfall risks Planned for 2017-18. To be in place for use by SO for winter 2019.
Code Part 10 Metering * Metering & registry processes operational review consultation * Urgent Code Δ for flexibility in certification expires			<div>Mar to May</div>		12-Sep (mandatory 9-month expiry for urgent Δ 's).

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<u>Markets work by EA - continued</u> Code Part 11 Registry Information Management * EA Registry Training Course * EIEP - review of subs that closed 22-Sep Standing Data Formats Group (SDFG) meet to review Possible 2nd consultation * Registry content * Data & data exchange * Enabling mass participation (EMP) * New project "Equal access framework", IPAG to lead * EA & CC Interface working group initial focus area is on the regulation and facilitation of existing & potential contestable electricity sector markets * Participant definition project consultation paper * Multiple trading relationships subs * Saves and winbacks, consultation by MDAG * Review of trader ICP switch process - tech. group meetings			21-22 Mar Jan-Feb Mar to Apr Early 2018 27-Feb Feb-Mar		MEUG supported making planned outage EIEP 5A mandatory Subs closed 06-Oct. Subs closed 07-Nov, published 21-Nov. consider with subs on multiple trading relationships Decision paper published 06-Nov. New project arising from above decision paper Focus area noted in above 06-Nov-17 decision paper Example markets are those for network support services or distributed energy services. New task arising from 06-Nov-17 decision paper Mid May to June. Consultation paper after March.

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<u>Markets work by EA - continued</u> Code Part 13 Trading arrangements * Wind gen. offers - EA Board considers, then decision posted * Wholesale market disclosure regime - decision * RTP - decision on next steps * FTR market: FTR enhancements - decision Variation to FTR allocation plan & 3 new hubs - decision Loss & Constraint Excess (LCE) treatment * Enabling Dispatchable Demand (DD) at conforming nodes * Post implementation of DD * Review of wholesale market trading arrangements * Review of spot market trading conduct provisions * Participation of storage technology in the wholesale market * Electronic Dispatch Facility (EDF) phase 3, SO workshop * Improve accuracy of f/cast prices - SO options report * WITS access policy code Δ consultation (if needed)			12-Mar		B4 30-Jun. Subs closed 03-Oct. MEUG to follow up with SO on using POCP for major planned outages. B4 30-Jun. Subs closed 10-Oct. Complementary actions suggested by MEUG: (1) enabling DD at conforming nodes (see EnerNOC proposal below) (2) Make WITS data more actionable (3) improve non-conforming node D f/casting (4) Existing DD pros and cons analysis Subs closed 09-May. Subs closed 04-Dec. 3 potential hubs (prioritised): Whakamaru, Kikiwa, Redclyffe 5 existing FTR hubs: OTA. HAY. ISL, BEN, INV MEUG monitoring LCE in other work, eg TPM, DDA, TPNZ Benchmark Agreement Proposed by EnerNOC, ie aggregators at conf. nodes, & block dispatch multiple GXPs. Part of EA monitoring work Work yet to start. Re-drafting Part 13 to improve clarity. MDAG to identify next steps MDAG taking the lead Consultation May-Jun. Solution design completed mid-18. Implemented 2019. Project includes SO prior proposed sensitivity analysis for key price f/casts.
Code Part 14 C&S: Offsetting ASX & spot market prudentials - EA considers Review of direct connect default rules consultation (if needed)	Soon	07-Feb 07-Feb	15-Feb	12-Mar 2018Q2	Subs closed 31-Oct. Decision paper published Apr.