

MEUG 12-week rolling calendar week starting 19 February 2018

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~ Genesis Energy announced on 13-Feb "... by 2025 Genesis has committed to not use any coal to generate electricity in normal market conditions, with the intention to phase out coal use completely by 2030. This timeline gives the industry, which currently relies on coal fired generation to meet their needs, time to find alternative solutions that maintain security of supply." ¹	✓
Markets work by EA	5-8
~ The EA Board has approved the addition of 3-new FTR hubs at Whakamaru, Kikiwa and Redclyffe. This is a welcome addition to the existing 5 FTR hubs and will improve risk management for all participants.	✓
~ The EA has published a review of fixed price variable volume offers compared to ASX futures prices. ² The EA reported that "The Authority found that retailers generally priced FPVV contracts higher than ASX settlement prices. Of the FPVV contracts that the Authority had data for, twelve per cent were priced under the ASX settlement price and eighty-eight per cent were priced over the ASX settlement price. The mean difference between the average FPVV contract price over the average ASX settlement price was 0.6 cents/kWh (\$6/MWh)"	✓
The EA concluded "The Authority has not found evidence to substantiate the claim that there is systemic discounting in the FPVV market relative to the ASX." This was useful review by the EA and while the data used is confidential the testing methodology is robust.	

¹ <https://www.genesisenergy.co.nz/about/media-centre/news/genesis-establishes-a-pathway-to-a-coal-free-elect>

² <https://www.ea.govt.nz/monitoring/enquiries-reviews-and-investigations/2017/review-of-fixed-price-variable-volume-commercial-offers>

MEUG 12-week rolling calendar from week starting 19-Feb-18		Feb Mar	Apr	May	Long-term timeline & notes
001	Parliament Sitting days (3-days starting Wed):	20, 27-Feb			
002			20, 27-Mar		
003				03, 10-Apr	
004				01-May	
005					
006	Ministerial & Departmental Policy				
007					
008	MBIE				
009	* Electricity price review - next steps to be announced				Feedback on draft TOR closed 19-Jan.
010	MBIE to discuss historic data sources 08-Feb	19-Feb			Following MEUG request 08-Feb re Ministers comments. ERANZ & ENA kept in loop.
011	* Electricity Demand & Generation Scenario forecasts				2018Q1
012					
013	NZ Productivity Commission (NZPC)				
014	* Low emissions economy final report				30-Jun
015					
022					
023	MEUG 12-week rolling calendar from week starting 19-Feb-18	Feb Mar	Apr	May	Long-term timeline & notes
024					
025	Training				
026	The Energy Centre - Summer School in Energy Economics	19-22 Feb			Part of the Business School, Uni. of Auckland.
027					
028					
029	Seminars and other				
030	BusinessNZ Energy Council lunchtime presentation	21-Feb			Wellington. "Breaking boundaries, the changing role technology, implications for business and government"
031	Lawrence Howell				
032	MBIE lunchtime presentation, Prof. Daniel Nocera	22-Feb			Wellington. "Turning sunlight into liquid fuel"
033	Energy Trader Forum			09-May	Auckland. Then 08-Aug, 14-Nov, both Wellington
034	Energy Users Assoc. of Australia, Tasmanian Energy Forum	08-Mar			Hobart
035	Downstream Strategic Summit:				MEUG is a supporting organisation for this premia industry event.
036	Network Managers Forum		12-Mar		SkyCity, Auckland, by invitation only.
037	Downstream conference		13-14 Mar		SkiCity, Auckland
038	PEPANZ, NZ Petroleum Conference		26-28 Mar		Wellington
039	Energy Users Assoc. of Australia National Conference			02-03 May	Melbourne. Theme: Future Thinking
040	NZ Minerals Forum 2018				29-30 May, Queenstown
041	Electricity Engineers Assoc. Conference				20-22 June, SkyCity, Auckland
042	Deloitte Energy Excellence Awards 2018				22-Aug. 10 categories including Large Energy User Initiative of the year sponsored

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Monopolies general						
043	Transpower (TPNZ) general:					
044	* Transpower Works Agreement - final t&c's published					Final published and sent to MEUG 08-Feb
045	TPNZ reply on OIA for copy of all subs on TWA received.					Received and MEUG is analysing.
046	* TPNZs Auckland strategy					Completed by Jun-18.
047	* Grid owner change from summer to shoulder ratings			15-Mar		
048	* Interconnection charges from 01-Apr-18			01-Apr		\$113.77/kW (8% decrease c.f. current \$124/kW)
049	* TPNZ publish Implications of electricity transport paper					tba
050	* Stakeholder Forum dates - subject to confirmation				03-May	then 17-Aug and 23-Nov.
051						
052	Vector judicial review of UDL Penrose substation fire decision:					UDL=Utilities Disputes Ltd (was EGCC).
053	Interveners to file and serve written subs	19-Feb				
054	Hearing, Auckland			05-09 Mar		CC, ENA and MEUG are interveners.
055						
Monopoly services regulated by CC						
056	CC open letter of 09-Nov on EDB priorities					Subs to be published. Feedback closed 22-Dec
057	MEUG request for x-sub phase & CC analysis of subs 07-Feb					CC to reply. ENA, ERANZ, EEA, ETNZ and TPNZ kept in loop.
058						
059	Aurora non-compliance enquiry					Ongoing.
060						
061	Input Methodologies (IM)					
062	* TPNZ Capex IM review - final decision			2018Q1		
063						
064	TPNZ IPP					
065	* Demand Response trial					2016-17 registration cycle now closed. Next RFP round tba.
066	* RCP2 listed projects:					TPNZ must seek approval for listed projects B4 end Jun-18.
067	HVDC line Haywards to Oteranga Bay.					(OTB-HAY A rec9onductoring project). Application for approval possibly later this year
068	TPNZ forum to discuss complete vs partial bypass	23-Feb				
069	* Major capex proposals					
070	Waikato & UNI Voltage Management					Application mid-2018
071	* Key Base capex					
072	Central NI constraints					Bunnythorpe-Mataroa 110kV & Tokaanu-Whakamaru 220kV
073	~ Series reactor, new SPS on Bunnythorpe-Mataroa 110kV					2018Q3
074	Kawerau T13 interconnecting transformer replacement					Subs closed 28-Jul.
075	* Voltage disturbance working group - bi-annual meeting					tba
076	* RCP3 reset and new IPP starting 01-Apr-20					TPNZ considering subs on second engagement paper that closed 28-Apr.
077	Proposed service performance measures					tba
078	Consultation on POS categorisation & VoLL					B4 end Sep-18 (ITP at that date forms basis for proposal)
079	TPNZ submission to CC					"unlikely to be so before 2022" (refer TPNZ Battery storage report Sep-17)
080	Grid connected batteries economic					

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081 Monopoly services regulated by CC - continued				
082 DPP				
083 Electricity DPP reset 01-Apr-20				CC to advise process. Feedback on CC open letter 09-Nov closed 22-Dec.
084 EDB connected or community-scale batteries economic				2020 (refer TPNZ Battery storage report Sep-17)
085 CPP Powerco - final decision, then go-live		B4 29-May	01-Apr	
086 Post-final-decision review of process and lessons learned				tba
087				
088 CPP WELL earthquake readiness				
089 Subs	22-Feb			
090 x-sub	01-Mar			Final decision 29-Mar.
091 MBIE reply due to OIA on correspondence with WELL	22-Feb			OIA lodged 05-Dec. MBIE extended timeframe to reply by 20 w/d.
092 Post-final-decision review of process and lessons learned				tba
093				
094 CPP application windows for other EDB	ends 19-Feb			07-14 May-2018.
095				11-18 Feb-2019. Aurora plan to make an application, target go-live Apr-20.
096				No application window in last MYe of RCP2 (2019-20).
097				
098 Airports Price Setting Event #3 (PSE3) ex post reviews				Policy topics of interest to MEUG: Does/will "dual-till" apply to EDB,
099				Airports WACC at mid-point, and how large new investments paid for.
100 AIAL draft report			26-Apr	Subs due 25-May, x-sub 08-Jun. Final report 20-Sep.
101				MEUG made x-sub on AIAL asset beta on 26-Jan-18.
102 CIAL draft report				Published 28-Jun. Subs due 26-Jul, x-sub 09-Aug. Final report 20-Sep
103 WIAL PSE3 commences				2019
104 Monopoly services regulated by EA				
105 TPNZ demand response (DR) protocol management, EA paper				Work to start on options to incorporate DR platform into spot market
106 EI Act s.16(1)(g), industry and market monitoring (monopolies):				
107 * Efficiency of distribution company arrangements				Focus on ability to respond to technology Δ's,
108				Δ from focus of prior project "efficiency of distribution company arrangements"
109				
110 EI Act s.90 EDB applications for line-energy exemptions				
111 * Top Energy application relating to network support				tba. This was 2nd leg of application. First leg exemption (Ngawha) granted Sep-17.
112				
113 Code Part 12 Transport				
114 * EA review of TPM guidelines (cl. 12.81(1)(b))				Decision on next steps before 30-Jun.
115 * TPNZ operational review #2 of TPM (cl. 12.85)				TPNZ announced 10-Jan not to proceed.
116				TPNZ reply to MEUG OIA for CBA on decision not to proceed received 13-Feb.
117				
118 Code Part 12A Distributor UoSA and distributor tariffs				
119 * DDA - second consultation paper				July.
120 EA surveying parties on costs of contracting with EDB				
121 * Distribution pricing Δs to be cost-reflective & service-based				
122 EA publish overview of progress to date	Mar			20-EDB published roadmaps, 9 haven't. Publishing roadmaps is voluntary.
123 2nd 6-monthly EDB pricing roadmap progress reports due		30-Mar		
124 * Review of dist. pricing principles & guidelines - consultation			By May	

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125	<u>Markets general</u>					
126	ACCC:					
127	Review of electricity prices in Australia					Review started 27-May-17. Final report by 30-Jun-18.
128						EA BIM, Oct-17, appendix C: Lessons from Australia, helpfully tests if similar risks for NZ
129	Gas market transparency measures					Programme commenced 20-Apr-17. Quarterly reports due for 3-years.
130	Generation:					
131	Eastland's Te Ahi O Maui 22 MW plant commissioned					Aug-18, geothermal binary plant at Kawerau.
132	Top Energy 2X28 MW (gross?) binary plants at Ngawha					Planned 1st 28 MW commissioned 2021, 2nd 28 MW commissioned 2026
133	GNE Rankine units, coal use ceases "in normal market conditions"					2025 (announced 13-Feb-18) & "intention to phase out coal use completely by 2030"
134						Note Rankine units can still use gas and units may be retired earlier in any case.
135	Nova's 360MW OCGT WPP start of consent window expires					2027
136	Ownership:					
137	TECT beneficiaries (must be TPW customers) feedback		01-Mar			TECT = Tauranga Energy Consumer Trust
138	on proposal to become a 100% charitable trust					
139	Market design topics outside EA work programme:					
140	Resurrection of suggested capacity payments?					See Dr Peter Crampton visit Feb-18. MEUG oppose capacity payments.
141						
142	<u>Markets work by EA</u>					
143	Board meetings			12-Mar	05-Apr	
144	Meet the Board networking event			12-Mar		Auckland (evening B4 Downstream)
145	EA 2018-19 work programme & levy consultation				02-May	Subs closed 19-Dec-17. Decisions announced Government budget May-18.
146	Security & Reliability Council (SRC) meetings			28-Mar		
147	Appointments for 3-SRC Council members announced.					Nominations closed 23-Jan.
148	Innovation & Participation Advisory Group (IPAG) meetings					Meeting dates not known. Working on "Equal Access Project" (see row 218)
149	Nominations close for Chair		27-Feb			
150	Market Development Advisory Group (MDAG) meetings		15-Mar			Working on "Review of spot market trading conduct provisions" (row 244),
151						"saves & win-backs" (row 224) and possibly "Battery storage in w/sale mkt" (row 199).
152	Regulatory Managers & Consumer Representatives briefing				11-Apr	
153	2018 Code review programme consultation subs		06-Mar			
154	EI Act s.16(1)(f), market facilitation measures:					
155	* ASX cap products listed. EA note ""experiencing delays					\$130/MWh & \$300/MWh cap products at OTA & BEN
156	because of adjustments to ASX margins and other risk settings"					Once listed EA design and monitor performance metrics.
157						NZX, as service provider of the Electricity Hedge Disclosure system, have
158						enhanced that system in anticipation of caps being listed.
159	* ASX Users' group meeting					tba
160	* Possible standardisation of OTC & intermediating contracts					In evaluation phase
161	* EA re-commencing publishing weekly hedge analysis report					EA considering
162						

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<u>Markets work by EA - continued</u>					
163	EI Act s.16(1)(g), industry and market monitoring (markets):				
164	* Lessons from South Australia blackout				tba
165	* Review of hedge market dynamic in winter 2017				Covers hydrology-spot correlation, hedge-spot and overall management
166	* Monitoring for new technologies - review starts	2018Q1			
167	* EA educational portal prototype				Prototype available CY18 Q2
168	* Review of 02-Jun-16 high spot price event - publish	soon			
169	* Review of distribution sector				Scope approved by EA Board. Note work on dashboards will not be published.
170	* SI AUFLS trip 02-Mar-17 review				tba
171	* Post implementation reviews of 2015 prudential regime, DD, FTR				tba
172					
173	Code Part 3 Market operation service providers				
174	Enhanced connectivity to NZX's energy market systems				Mid 2018
175					
176	Code Part 6 Connection of distributed generation				
177	* DG in place 06-Dec-16 listed as eligible for ACOT payments:				
178	~ Regulations Review Committee consideration				To consider complaint by TPW supported by IEGA, of Dec-16 Code Δ
179	~ Lower SI (LSI) list - decision	soon			List comes into effect 01-Apr-18.
180	~ other region lists come into effect after consultation				LNI 01-Oct-18 (consultation Jun-18), UNI 01-Apr-19, USI 01-Oct-19.
181	* Review DGPP incremental cost ceiling				EA to revisit this after progress on TPM and distribution pricing

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<u>Markets work by EA - continued</u>						
182	Code Part 7 System Operator (SO)					
183	* SO publishes System Security Forecast and seeks feedback		soon			
184	* Hydro Risk Curve (HRC) GNE proposed Δ - way f/ward announced		end Feb			
185	* Annual Security Assessment 2018 - Final decision		27-Feb			Subs closed 19-Jan. MEUG opposed Δ to model thermal fuel commercial limitations. Subs closed 16-Feb. Amongts other things, MEUG asked for a scenario with decreasing D.
186						
187	Code Part 8 Common Quality					
188	* Under-frequency events (UFE)					UFE 2018 YTD=1, 2017=3, 2016=1, 2015=0, 2014=4, 2013=14, 2012=4
189	~ UFE 02-Mar-17 final decision pending					Draft determination, Grid Owner caused 1st event (precedent setting), MEL 2nd event.
190	~ UFE's 11 and 15 Jun-17 final decision pending					Draft determination, CEN causer (not contested).
191	~ UFE 09-Feb-18, 5:04am (NI)					SO to report, then consultation will start on draft determination.
192						
193	* NI extended reserves implementation - Update on next steps		Mar			
194	Future enhancements:					To-be-considered once implementation is on track.
195	eg adding procurement, & a real-time regime					
196	* IR event charge and cost allocation - WAG report to EA					Next steps tba
197	* Possible new IR products - close out report		Mar			
198	* Review of FK services - investigate tender based procurement		Mar			SO to start work - aligns with most submitters views rather than use AOPO.
199	* Battery storage in wholesale market - initial focus for AS					MDAG may take the lead
200						
201	Code Part 9 Security of Supply (SoS)					
202	* Post review of customer compensation scheme review actions					Substantial refinements to be included in review of OCC.
	Consultation on tweaks to be implemented this year		soon			
202	* Review of Official Conservation Campaign settings					Any refinements to be introduced prior to winter 2019.
203	* PROPS -biannual updates progressed as they arise					SO to develop template to improve & lower biannual revision compliance costs.
204	* NZ Generation Balance Assessment rolling 6 month risk f/cast					No current f/cast shortfall risks
205	* EA and SO review of SOS regime, including HRC calc.					Planned for 2017-18. To be in place for use by SO for winter 2019.
206	This will lead to Δ's to SSAD published Nov-12.					SSAD=Security Standards Assumptions Document
207						
208	Code Part 10 Metering					
209	* Metering & registry processes operational review consultation				May to Jun	
210	* Urgent Code Δ for flexibility in certification expires					12-Sep (mandatory 9-month expiry for urgent Δ's).

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<u>Markets work by EA - continued</u>						
211	Code Part 11 Registry Information Management					
212	* EA Registry Training Course		21-22 Mar			
213	* EIEP - review of subs that closed 22-Sep					MEUG supported making planned outage EIEP 5A mandatory
214	Possible 2nd consultation		Mar to Apr			
215	* Registry content					Subs closed 06-Oct.
216	* Data & data exchange					Subs closed 07-Nov, published 21-Nov.
217						EA will consider with multiple trading relationships subs
218	* Equal access project, IPAG leading.					
219	* EA & CC Interface working group initial focus area is on					Focus area noted in above 06-Nov-17 decision paper
220	the regulation and facilitation of existing & potential					Example markets are those for network support
221	contestable electricity sector markets					services or distributed energy services.
222	* Participant definition project consultation paper		Early 2018			New task arising from 06-Nov-17 decision paper
223	* Multiple trading relationships subs		27-Feb			
224	* Saves and win-backs - issues paper published			2018Q2		
225	* Review of trader ICP switch process - tech. group meetings		Feb-Mar			MDAG leading.
226	Code Part 13 Trading arrangements					Consultation paper after March.
227	* Wind gen. offers - EA Board considers, then decision posted		12-Mar			
228	* Wholesale market disclosure regime - decision published				May	Subs closed 03-Oct.
229						MEUG to follow up with SO on using POCP for major planned outages.
230	* RTP - decision on next steps					June. Subs closed 10-Oct.
231						Complementary actions suggested by MEUG:
232						(1) enabling DD at conforming nodes (see EnerNOC proposal below)
233						(2) Make WITS data more actionable
234						(3) improve non-conforming node D f/casting
235						(4) Existing DD pros and cons analysis
236	* FTR market:					
237	FTR enhancements - decision			Apr		Subs closed 09-May-17.
238	First auction of 3-new FTR hubs				May	EA approved new hubs in Feb-18.
239	(new hubs are Whakamaru, Kikiwa, Redclyffe)					5 existing FTR hubs are: OTA. HAY. ISL, BEN, INV
240	Loss & Constraint Excess (LCE) treatment					MEUG monitoring LCE in other work, eg TPM, DDA, TPNZ Benchmark Agreement
241	* Enabling Dispatchable Demand (DD) at conforming nodes					Paper end of 2018. Proposed by EnerNOC for aggregators, & block dispatch multiple GXPs.
242	* Post implementation of DD					Part of EA monitoring work
243	* Review of wholesale market trading arrangements					Work yet to start. Re-drafting Part 13 to improve clarity.
244	* Review of spot market trading conduct provisions					MDAG leading
245	* Dispatch Service Enhancement - Business case approved				May	SO move off GENCO only by Dec-20.
246	Next stage of Electronic Dispatch Facility (EDF) work					
247	* Making price f/casts more accurate - options paper				May	Project includes SO prior proposed sensitivity analysis for key price f/casts.
248	* WITS access policy code Δ consultation (if needed)		Soon			
249						
250	Code Part 14 C&S:					
251	Offsetting ASX & spot market prudentials - EA considers		12-Mar			Subs closed 31-Oct. Decision paper published Apr.
252	Review of direct connect default rules consultation (if needed)			2018Q2		