

MEUG 12-week rolling calendar week starting 28 January 2019

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Parliament	2
Ministerial and Departmental Policy	
➤ Announcements on NZ Green Investment Finance Ltd (\$100m fund per Greens-Labour confidence and supply agreement) on 05-Dec.	
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➤ Vector won judicial review claim of UDL's decisions re Penrose substation fire in 2014.	
➤ A significant Australian Energy Regulator (AER) decision on WACC 17-Dec. If applied to NZ would decrease EDB and Transpower line charges \$10m's perhaps in excess of \$100m pa.	
➤ Timaru District Council voted to retain ownership of Alpine Energy 18-Dec.	
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➤ CC declined Vector's suggestion for DPP re-opener for HAS, e.g. live-line work.	
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➤ Following on from the unexpected fault on the Pohokura offshore gas field pipeline around 15-Sep and UTS claim lodged 08-Nov reported last 12-week calendar, the impacts on the gas and electricity markets of persistent high prices, concerns on short and long-term security, frustration over opaqueness of information on gas outages and market confidence by participants were further eroded by Transpower's management of planned HVDC outage over 22-27 Nov. EA commenced a review of Spring 2018 events including the HVDC outage (MEUG asked for this review). Pohokura gas pipeline supply restored early December but prices have remained at elevated levels. Late Dec MBIE declined a joint MEUG/MGUG suggestion a review of the strategic interrelationship between the gas and electricity sectors was urgently needed. On 01-Jan market concentration in the gas market was consolidated with OMV purchase of Shell's upstream assets in Pohokura and Maui taking effect (approved by CC Aug-18).	
Gas market issues, including the detrimental effects of the Apr-18 decision to cease new permits for offshore oil and gas exploration and onshore everywhere other than Taranaki in the interim, are likely to dominate the electricity market and policy debates in 2019.	
EA Code governance & market facilitation	8-10

MEUG 12-week rolling calendar from week starting 28-Jan-18		Jan	Feb	Mar	Apr	Long-term timeline & notes	
001	Parliament Sitting days (3-days starting Tue):			12-Feb	05-Mar	02-Apr	
002				19-Feb	12-Mar	09-Apr	
003					19-Mar		
004	Zero Carbon Bill tabled in the House						Bill to be tabled in the House early 2019. Subs on MfE ZCB paper closed 19-Jul.
005	Commerce (Criminalisation of Cartels) Amendment Bill						To be considered by committee of the whole House.
006	Taxation (R&D tax credits) Bill - select committee report back					01-Apr	
007	Electricity Act 1992 - repeal Low Fixed User Charge requirements						May get traction from Electricity Price Review (EPR).
008	Electricity Industry Act 2010 - amend so EA can set fees						Needed Δ though small - omnibus Δ as part of legislative changes from EPR?
009							
010	Ministerial & Departmental Policy						
011	Office of the PM: PM's Business Advisory Council						1st meeting held 08-Nov.
012	Office of the Minister of Finance: Future of Work Forum						Includes Government, CTU, BusinessNZ. 2nd meeting held 12-Nov.
013	MBIE						
014	Electricity Price Review (EPR) by Expert Advisory Group (EAG)						
015	* Options paper consultation (after Cabinet reviews paper)			~ Feb			
016	* 3-workshops (possible)				early Mar		
017	* EAG reports back to Minister, then Cabinet decisions.						Apr-May.
018	Evaluation of NPSET & NESETA instruments per RMA (closed 15-Nov)	tba					NPSET = National Policy Statement on Electricity Transmission NESETA = National Environmental Standard on Electricity Transmission Activities
019							
020	Electricity Demand & Generation Scenario update	tba					
021	Provincial Growth Fund (PGF)						
022	Just Transitions Unit - current focus Taranaki.						
023	* 2019 Just Transition Summit						09-10 May, New Plymouth
024	ARUP NZ hydrogen strategy report for MBIE					Apr	
025	Process heat lowering emissions opportunities/barriers subs			22-Feb			Joint MBIE/EECA consultation paper. Topic overlaps with ICCG work.
026							
027	MSD						
028	Winter Energy Payment 2019 starts						01-May and ends after 5-months on 30-Sep.

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029	MFE					
030	Reply to MEUG OIA of 04-Dec, re ZCB CBA materials		13-Feb			due date includes a 20-day extension advised by MfE.
031	Publish Environment Aotearoa in conjunction with Stats NZ				Apr	5-yearly report required by the Environmental Reporting Act 2015.
032	ETS review (EPA has operational role)					Subs closed 21-Sep. Further consultation 2019. Legislative changes end 2019 (align with ZCB)
033	Interim Climate Change Committee (ICCC) (not part of MfE)					
034	* Electricity Technical workshop		13/14-Feb			Same workshop repeated over 2-days.
035	* Final report to Minister Shaw					30-Apr-19.
036	Transition hub - report to government	tba				
037						
038	Treasury					
039	Establishing Independent Infrastructure Body - next steps	tba				Subs closed 16-Oct.
040	NZ Green Investment Finance Ltd established 05-Dec-18.					\$100m of capital. Details of how applicants can seek funds to be decided.
041	Tax working group					MEUG is following because mentions environmental taxes.
042	Embedding wellbeing in the Public Finance Act					Monitoring in case leads to inappropriate metrics/un-intended consequences 4 energy sector.
043	Living standards framework					Being undertaken in conjunction with NZ Stats Indicators Aotearoa NZ work.
044						
045	Stats NZ					IANZ data foundation to Tsy Living Standards Framework (see above)
046	Indicators Aotearoa NZ (IANZ) - first set available		Early 2019			Final set available early 2019
047	NZ present to UN first Voluntary National Review					Jul-19. Outcome of UN agreed Sustainable Development Goals, 2015.
048	<u>Independent Crown Entities (ICE)</u>					
049	NZ Productivity Commission:					
050	* Sate sector productivity, final report published 17-Aug					Government considering recommendations
051	* Low emissions economy, final report published 04-Sep					Government considering recommendations
052	* Local government funding & financing Issues paper 06-Nov, subs		15-Feb			Draft paper published Jun-19. Final tabled with government by 30-Nov-19.
053	Commerce Commission					
054	* Market study into retail fuel market - subs		31-Jan			
055	* Proceedings against First Gas anti-competitive conduct re GasNet					Announced by CC 10-Jan-19.
056						
057	<u>Crown Agents</u>					
058	<u>EECA</u>					
059	* Decisions on proposed 2019/20 levy appropriation (subs closed 14-Dec)					May budget. MEUG has a long-standing view the \$5.2m pa electricity levy on users' is excessive.
060	* EECA to publish names of recipients of EECA funded programmes					
061	EECA to advise timetable to implement above		31-Jan			

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062	Training						
063	Government Economics Network training						
064	Introduction Microeconomics for policy analysis			11, 14, 18, 21-Feb			
065	Introduction to behavioural economics for policy				2-3 Apr		
066	Introduction to Cost-Benefit analysis				8-9 Apr		
067	Energy Link Training courses (Dunedin)						
068	* Introduction to the electricity market				09-Apr	02-Jul	15-Oct
069	* Hedging electricity				10-Apr	03-Jul	16-Oct
070	* Nodal pricing of electricity				11-Apr	04-Jul	17-Oct
071							
072	Seminars and other						
073	Motu lunctime seminar, Dr Jos Delbeke, EU Climate Policy		04-Feb				Wellington.
074	Energy Trader Forum (Freeman Media)		14-Feb				Wellington. Then 09-May (Auckland) and 15-May and 14-Nov (both Wellington)
075	UoA. Summer School in Energy Economics		18-21 Feb				The University of Auckland Business School
076	BEC & NZX Breakfast with Hon Dr Megan Woods		19-Feb				Wellington. BEC=BusinessNZ Energy Council.
077	EA networking event evening prior to Downstream			04 Mar			TBC Central Auckland
078	Downstream Strategic Summit 2019			05-06 Mar			SkyCity
079	Auckland Council, Auckland Climate Symposium				18-Mar		Auckland
080	Conferenz NZ Infrastructure Funding				19-20 Mar		Auckland
081	Wood Processors & Manufacturers Assoc. Conference				04-Apr		Christchurch
082	Energy Users' Assoc. of Australia, 2019 National Conference						01-02 May, Melbourne
083	MBIE, 2019 Just Transition summit						09-10 May, New Plymouth
084	NZ Minerals Forum 2019						27-29 May, Dunedin
085	EMANZ conference						29 & 30 May, Wellington

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086	<u>Monopolies general</u>					
087	Transpower					
088	Grid ratings Δ summer to shoulder			15-Mar		Change to shoulder ratings 15-Mar.
089	Transpower outage planning policy: SO and GO roles - next steps	tba				Discussion meeting held 12-Nov.
090	Transpower Consumer Advisory Panel second meeting	tba				First meeting held 08-Nov.
091	Transpower stakeholder forum - next forum date	tba				
092	Hawkes Bay RC proposed sale of up to 45% of Napier Ports shares					Monitoring as a near monopoly, valuation may have insights for energy line monopolies.
093	Fire Service levies - are increasing. Lines seeking to pass-thru.					Monitoring in DPP reset. Monitoring broader topic of tree trimming liabilities.
094	CC RFP - risk management of gas pipeline businesses - closes		13-Feb			Final report 13-May. Focus: risk management assessments & geotechnical risks.
095						
096	<u>Monopoly services regulated by CC</u>					
097	Input Methodologies (IM)					
098	WACC					Last IM review decision Dec-16. Revisions are for latest risk-free rate and debt premium.
099	* annual revisions for ID: EDB and WIAL				01-Apr	Transpower, GasNet, Vector (gas), AIAL & CIAL on 01-Jul. Powerco (gas), First Gas on 01-Oct.
100	* periodic revisions for price-quality reg. (7-months B4 new P-Q path)					Estimated revision dates 01-Sep-19: EDB DPP/CPP, Transpower IPP. 01-Mar-22: gas DPP/CPP.
101	Information Disclosure (ID)					Post-DPP/IPP reset, consequential ID Δ's in 2020 and 2021
102	Transpower - Current RCP2 2015-2020					
103	BRK-SFD Line B -Transpower to advise next steps	tba				Feedback on long list of options & RFI for NTS closed 23-Nov. Initial base case ~\$50m.
104						This will roll into RCP3 proposal. NTS=Non-transmission solutions.
105	OTB-HAY A HVDC reconductoring (\$23.5m) implementation					Implemented 2019Q4 to 2020Q1. Approved 10-Oct-18. Major outage on HVDC to implement.
106	Central Park Wilton B reconductoring (\$10.6m) implementation					Completion summer 2019
107	Bombay-Otahuhu Regional Investigation Project long-list subs			22-Feb		Major Capex Project(s) requiring CC approval(s). Includes RFI for NTS.
108	Transpower IPP proposal for RCP3 2020-2025					Transpower published 23-Nov., B4 due date. ~6.6% decrease in RCP3 rev. compared to RCP2.
109	Issues paper published → subs due → x subs	07-Feb		28-Feb		Will address subs on Process, approach & framework that closed 15-Nov.
110				07-Mar		
111	Draft decision published → subs due → x subs					30-May → 27-Jun → 11-Jul
112	Final decision published subj. to latest data → final with latest data					29-Aug → 14-Nov Last possible date 28-Nov
113	Transpower advises customers of prices effective 01-Apr-20					End of Nov-19 prices notified and come into effect 01-Apr-20.

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114	<u>Monopoly services regulated by CC continued</u>				
115	Current DPP 2015-20				Court timelines not known.
116	Quality path breach prosecutions commenced:				
117	* Aurora for 2016 & 2017, announced 19-Sep-18				
118	* Vector for 2015 & 2016, announced 10-Oct-18				
119	Several price-quality breach enquiries ongoing.				
120	DPP reset for 2020-2025 for 14 EDB (2 will have a CPP, 12 ID only)				
121	ENA provide Castalia advice (referred to in their sub)				
122	DPP issues paper x subs	31-Jan			
123	Last date EDB can request accelerated depreciation		01-Mar		EDB will need to consult with interested parties before this date.
124	AMP updates for the 2019-2029 period disclosed			31-Mar	
125	DPP draft decision consultation and final decisions				May-19 to Aug-19 consultation on draft decisions and final decisions late Nov-19.
126	EDB connected or community-scale batteries economic				2020 (refer TPNZ Battery storage report Sep-17)
127					
128	CPP				
129	Orion CPP ends			31-Mar	Orion then have 1-year DPP transition to new DPP 2020-2025.
130	WELL CPP, 3-years started 01-Apr-18				Ends 31-Mar-21.
131	Powerco CPP, 5-years started 01-Apr-18				Ends 31-Mar-23.
132	* RFI non-network solutions Hinuera areas - next steps	tba			RFI responses closed 21-Nov. Includes Putaruru, Tirau, Matamata & surrounding areas.
133	* First Annual Planning Report				By 06-Sep-19 to report on progress for 1st CPP year ended 31-Mar-19.
134	Future application windows				Next 11-18 Feb-2019. From then to end RCP2, 31-Mar-20, no application windows
135					First window in RCP3 is 04-May to 12-May 2020.
136	Expected next CPP application - by Aurora				04-May to 12-May 2020 (1st RCP3 application window)

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137 <u>Monopoly services regulated by CC continued</u>				
138 Airports Price Setting Event #3 (PSE3) ex post reviews:				MEUG interest: "dual-till", mid-point WACC, new runway pricing 2019
139 WIAL PSE3 commences				
140 Airports backward-looking profitability ID amendments				
141 * workshop		21 or 22 Feb		
142 * draft decision			28-Mar	April: submission period, May: Final decision
143 New Part 6 fibre networks regulation (& residual Telecomms Act work)				Regime in place by 01-Jan-22. Key work includes IM→Chorus P-Q path→ID
144 Approaches paper x-subs	01-Feb			Next major consultation on emerging views on IM in May-19.
145 Copper withdrawal code subs/x-subs	14-Feb	06-Mar		Code to be finalised Dec-19
146 Retail Service Quality Monitoring – Process and Issues paper	Early 2019			Framework information paper published 30-Nov-18.
147 Review of whether Spark's resale services should be de-regulated				Feb-19: Process paper. Could be interesting precedents on de-regulating.
148				
149 <u>Monopoly services regulated by EA</u>				
150 Code Part 12 Transport				
151 EA review of TPM guidelines. Consultation				Around Jun-19 (last progress update 10-Dec-18)
152 Retailers interest in receiving loss & constraint rentals directly				MEUG is monitoring. In any case being considered in TPM review. Any earlier change
153				
154				MCY informal discussions EA, MEUG, other parties late 2018 and early 2019.
155 Code Part 12A Distributor UoSAs and distributor tariffs				
156 DDA Court of Appeal further hearing	08-Feb			VCT/Entrust declaratory judgement claims
157 EA has tabled with court draft DDA revised 14-Jan-19.				Last draft DDA materials published for consultation in Jan-16.
158 Second consultation paper published (indicative)				Timing/scope of consultation depends on outcome of above.
159 EA consult on Δ's to pricing principles & star-rating EDB tariffs		19-Feb		See also Part 6 work on Distribution pricing principles
160 ENA Network Transformation Roadmap final report				In 2019. Last ENA briefing 11-Dec

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161	Markets general					
162	UDL: Car ramming case.					Status not known
163	Genesis imports 120kt Indonesian coal		Dec to Jan			
164	Pohukura planned outage ~30 days in total		Feb to late Apr			apart from a media release 13-Jan, no system in place by OMV to inform details to wider market
165	MCY sale of Metrix to intelliHUB takes effect			01-Mar		Announced 17-Dec-18, sale price \$270m and MCY EBITDAF then ~\$28m pa lower.
166	Waverley 100 MW wind farm could start					As early as 2020. Tilt and Genesis announced intention to partner on 17-Oct-18.
167	Todd Generation 100 MW Junction Road peaker starts					Mid-2020 at earliest. SO reports delayed to 2022. No corroborating info from Todd.
168	Top Energy Ngawha, 1st 28MW addition starts					2021
169	CEN TCC major maintenance decision					2021
170	Huntly Rankine swaptions contracted to end					2022
171	RioTinto 4th potline resumed Oct (~50 MW)					Contract ends Dec-22.
172	GNE Rankine units (2X250 MW) coal use ceases					2025 "in normal market conditions"
173	Top Energy Ngawha, 2nd 28MW addition starts					2026
174	Wairakei consents expire					2026
175	Nova's 360MW OCGT WPP consent window expires					2027
176	MEL supply contract with RioTinto ends					2030
177	Powering past coal alliance, Minister Shaw agreed to end coal gen.					2030
178						
179	EA Code governance & market facilitation					
180	Board meetings					
181	Proposed 2019/20 appropriations					
182	Proposal to relax advisory group Chair's being independent			19-Feb		
183	Security & Reliability Council (SRC) next meeting		tba			
184	Nominations for vacancies close		29-Jan			
185	Innovation & Participation Advisory Group (IPAG) meetings			27-Feb	10-Apr	
186	IPAG - Equal access project					
187	Market Development Advisory Group (MDAG) next meeting		12-Feb			
188	MDAG - Review of spot market trading conduct provisions (Part 13)					
189	MDAG - Saves and win-backs (Part 11)					
190	MDAG - Battery storage in wholesale mkt (possible future work)					
191	Regulatory Managers & Consumer Representatives briefing			15-Mar		
192	Market enhancement omnibus #1, closed 13-Nov, decisions					

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193 <u>EI Act s.16(1)(f), market facilitation measures:</u>				
194 What's My Number winter campaign review by EA Board.	tba			
195 ASX cap products listed. To be advised.				
196 ASX NZ F&O Users' group meeting		Mar		
197 <u>EI Act s.16(1)(g), industry and market monitoring (markets)</u>				
198 Spring 2018 review: ramps up post UTS (see Part 5) work/decision		End Feb		
199 Review Jun prices, relationship wind & price volatility - underway				
200 Review of distribution sector - underway				
201 Post implementation reviews:				
202 * 2015 prudential policies - publish				
203 * FTR market and NMIR - underway				
204 * retail data project				
205 Code Part 5 Regime for dealing with UTS				
206 15-Sep-18 UTS, lodged 08-Nov-18, decision expected		End Feb		
207 Code Part 6 Connection of distributed generation				
208 Integrating host capability into Part 6 (omnibus #1) decision	tba			Proposal for interim EEA guidelines for inverters for SSDG.
209 DG in place 06-Dec-16 listed as eligible for ACOT payments				Code provisions end Mar-20 for all new LSI, LNI, UNI and USI decisions.
210 Post Mar-20 (or TPM decisions) re ACOT services				Transpower to revise Grid Security Contract for ACOT services including new tech.
211 Code Part 8 Common Quality				
212 Refinements to NMIR - feedback to SO and workshop	31-Jan	12-Feb		
213 Changes to (SO) policy statement - closed 09-Nov, Decision	tba			
214 NI extended reserves (ER): Next steps to be announced	B4 end Jun			

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215	Code Part 9 Security of Supply (SoS)					
216	Revision to HRC: new demand f/casts & effects Pohokura shut		end Jan			
217	Annual Security Assessment 2019		tba			
218	System Operator review of SOSFIP		04-Feb			
219	Review of Official Conservation Campaign (OCC) subs		11-Feb			
220	NZ Generation Balance Assessment rolling 6-month risk f/cast				04/05-Apr	
221	Code Part 10 Metering					
222	Op. review of metering & related Part 11 Δ's (omnibus #1), decision		tba			
223	Code Part 11 Registry Information Management					
224	Access to WITS and the registry (omnibus #1), decision		tba			
225	Switch process review (omnibus #1), decision		tba			
226	EIEP - consultation - subs closed 18-Dec					
227	* EIEP 1 proposal to move to one billing methodology					
228	* EIEP 5A use registry for planned outage notifications					
229	Saves and win-backs					
230	* MDAG consideration of subs (closed 29-Jun-18)		ongoing			
231	* MDAG submits recommendations to EA board				Apr-May	
232	Code Part 13 Trading arrangements					
233	RTP - SO RTP engagement group 2nd meeting tba.					
234	SO Dispatch Service Enhancement (DSE) ICCP tech. implementation		29-Jan			
235	Review of spot market trading conduct provisions					
236	* MDAG submits paper to EA Board for comment		Feb			
237	* MDAG releases discussion paper for consultation			Mar		
238	* MDAG considers and summarises submissions					May-19
239	* MDAG finalises recommendation paper					Sep-19
240	* MDAG submits recommendations to EA board					Nov-19
241	Code Part 14 Clearing and Settlement					
242	Trader default process, 1st initiated 19-Oct. (also Part 11)					