

19 June 2024

Sarah Gillies  
Chief Executive  
Electricity Authority  
PO Box 10041  
WELLINGTON 6143

Sent via email: [uts.2024@ea.govt.nz](mailto:uts.2024@ea.govt.nz)

Dear Sarah

## Preliminary decision on Undesirable Trading Situation

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Electricity Authority's (Authority) consultation paper "*Authority's preliminary decision on whether an undesirable trading situation occurred following 16 February 2024*"<sup>1</sup> published for consultation on 8 May 2024.
2. MEUG members have been consulted on the approach to this submission. Members may lodge separate submissions. This submission does not contain any confidential information and can be published on the Authority's website unaltered.

### Concern with timeframe to address 9 August event

3. MEUG is disappointed that the sector has taken so long to resolve the events of the evening of 9 August 2021. This event occurred nearly three years ago, yet we have no greater certainty of final prices or market decisions. This creates significant uncertainty for stakeholders, particularly for those who are (or will be) financially impacted by resolution of this event. It also reduces confidence in the regulator – a point that is acknowledged in the Authority's own consultation paper.<sup>2</sup>
4. It is reassuring to note that "*the introduction of real time pricing in November 2022 will prevent the same event that took place on 9 August 2021 happening again.*"<sup>3</sup> However, MEUG believes that further attention needs to be given to the potential scale and role for demand-side participation within in the wholesale electricity market, and how it is dispatched alongside other resources in the market. As discussed with the Authority and other government agencies,<sup>4</sup> we believe that greater refinements are needed to encourage further participation in the market

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<sup>1</sup> [https://www.ea.govt.nz/documents/4845/Preliminary\\_decision\\_paper\\_-\\_16\\_Feb\\_2024\\_UTS.pdf](https://www.ea.govt.nz/documents/4845/Preliminary_decision_paper_-_16_Feb_2024_UTS.pdf)

<sup>2</sup> See page 4 of consultation paper that notes the potential threat to market confidence.

<sup>3</sup> Page 2 of the consultation paper.

<sup>4</sup> See recent submission to the Climate Change Commission discussing the role of demand side response, <http://www.meug.co.nz/node/1366>

### Next steps

5. We look forward to engaging with the Authority and stakeholders during the cross-submission process. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at [karen@meug.co.nz](mailto:karen@meug.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read "K Boyes", with a long horizontal flourish extending to the right.

**Karen Boyes**  
Major Electricity Users' Group