



23 May 2011

Carl Hansen  
Chief Executive  
Electricity Authority  
2 Hunter Street  
WELLINGTON

11 Chews Lane  
PO Box 10568  
The Terrace  
Wellington 6143  
New Zealand

Genesis Power Limited  
trading as Genesis Energy

Fax: 04 495 6363

By email: [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)

Dear Mr Hansen

## Draft UTS Decision

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Our letter of 19 May 2011 raised concerns regarding the Authority's consultation process.

In particular, we highlighted that in the absence of Genesis Energy having a right of reply to new points raised in cross-submissions, the Authority could rely on material to make its decision which is plainly wrong, or where material has not been made available for comment, have regard to evidence that has not been seen by Genesis Energy. An initial review of the cross-submissions has reinforced these concerns.

The following brief examples illustrate the point:

- the Sapere Research report accompanying the Mighty River Power submission makes a number of assertions about how these facts and circumstances (as they characterise them) would be viewed under the Australian National Electricity Market Rules. Genesis Energy has been advised by Castalia (who have extensive experience in the operation and design of the NEM rules), that Sapere's analysis is manifestly incorrect; and

- the Meridian Energy submission asserts "...Genesis ... had earlier refused to offer Meridian hedges at all". As the Authority is aware, this is a misleading statement. Contact Energy should also be asked to comment on whether the statement is accurate.

We have raised these and our earlier points with the Authority in an endeavour to ensure that there is a proper factual and legal foundation for the Authority's decision.

I look forward to receiving a reply to this and our earlier letter.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke.

Albert Brantley  
Chief Executive