MARKET BRIEF

24 May 2011



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2011-2014 Statement of Intent

The Authority has published its 2011-2014 Statement of Intent (SOI). The SOI is the Authority's key planning document, providing a range of information required by the Crown Entities Act 2004. The SOI is published after Budget Day each year and covers one financial year (1 July – 30 June) in detail and the following two years at a high-level.

In November 2010 to January 2011 the Authority consulted on its 2011-12 appropriations and work priorities. Input from the submissions was used to prepare a report to the Minister of Energy and Resources (recommending the 2011-12 appropriations as part of the 2011 Budget process) and to develop the SOI.

Now that the Budget has been tabled, the Authority has published:

- the submissions from the consultation on its 2011-12 appropriations and work priorities
 http://www.ea.govt.nz/our-work/consultations/corporate/proposed-appropriations-2011-12/submissions/
- the report to the Minister
 http://www.ea.govt.nz/our-work/consultations/corporate/proposed-appropriations-2011-12/submissions/
- the 2011-2014 Statement of Intent http://www.ea.govt.nz/about-us/documents-publications/soi/

Consultation - More standardisation of distribution arrangements: Proposed draft Code amendments

A consultation paper is expected to be published tomorrow proposing a new Part 12A of the Electricity Industry Participation Code (Code) to provide for arrangements for aspects of distributor use-of-system agreements and distributor tariffs.



The consultation period will be four weeks. The Authority intends to hold a briefing in early June to assist participants in preparing submissions.

A companion paper, *Summary of more standardisation of distribution arrangements – Explanatory paper* will also be published. It will provide a brief background to and summary of the proposals in the consultation paper.

Draft decision on alleged UTS: Cross submissions published

Cross submissions on the Authority's draft decision that events leading to exceptionally high wholesale electricity prices on 26 March 2011 constituted an Undesirable trading Situation (UTS) closed at 3:00pm on Thursday 19 May. The nine cross submissions received have been published at;

http://www.ea.govt.nz/our-work/consultations/uts/26Mar11/submissions-for-draft-decision-regarding-alleged-uts-on-26-march-2011/

The Authority is expecting to make a final decision on the alleged UTS and proposed remedies in mid-June.

UTS data published

The Authority has been requested to publish the vectorised Scheduling, Pricing and Dispatch (vSPD) cases it used to calculate the draft final prices for 26 March 2011, as described in paragraph 169 of the draft decision. The vSPD cases are available at:

http://www.ea.govt.nz/act-code-regs/uts/decisions-and-claims/

The draft final prices were provided in a spreadsheet, which inadvertently included trading period 21 on 26 March 2011. A revised spreadsheet with trading period 21 removed, along with the original spreadsheet of draft final prices, is also available at:

http://www.ea.govt.nz/act-code-regs/uts/decisions-and-claims/

Submissions: Minor amendments to domestic retail contracts

Submissions closed on Thursday 19 May on the minor amendments to voluntary principles and minimum terms for domestic retail contracts consultation.

The six submissions received have been published at:

http://www.ea.govt.nz/our-work/consultations/retail/proposed-amendments-minimum-terms/submissions/

Transmission Pricing Advisory Group (TPAG): Discussion paper

The Transmission Pricing Advisory Group (TPAG) expects to publish a discussion paper for consultation in the first half of June.

The Authority established TPAG as an ad-hoc advisory group tasked with recommending to the Authority Board a preferred transmission pricing option.

An earlier version of the discussion paper is available at:

http://www.ea.govt.nz/our-work/advisory-working-groups/tpag/9May11/



Distributed generation: Statistics

Under Part 6 of the Code, distributors have an obligation to annually report to the Authority information concerning the connection of distributed generation.

The information reported for the 2010 calendar year shows a net increase of 73 connections contributing to a net increase of 74.6MW in the nameplate capacity of distributed generation connected nationwide, which includes a single 64MW connection – Te Uku.

Summary statistics are available at:

http://www.ea.govt.nz/industry/market/statistics-reports/distributed-generation-statistics/

Consumer switching statistics

The consumer switching statistics for this month are available at:

• http://www.ea.govt.nz/industry/market/statistics-reports/icps-changing-electricity-supplier/

Security and Reliability Council: 27 April 2011

The Security and reliability Council held its inaugural meeting on 27 April 2011. The papers and draft minutes of the meeting are available at:

• http://www.ea.govt.nz/our-work/advisory-working-groups/src/27Apr11/

Disclosure of information to Authority – quantity of electricity sold by connected retailers

The Authority reminds directors of distributors that, under section 88 of the Act, they must ensure that the distributor discloses the quantity of electricity sold each financial year by connected retailers to customers who are connected to its local network.

The disclosure must be made in a statement to the Authority within 2 months after the end of the financial year and must be publicised by the Authority and the distributor. Under section 73 of the Act, 'financial year' means a period of 12 months ending 31 March.

The disclosure must be made using the statement form available at:

http://www.ea.govt.nz/act-code-regs/part-3-of-the-act/

Revised Ruling Panel procedures: Feedback

Under the Act, the Rulings Panel may determine its own procedures. As the current Rulings Panel procedures came into effect in 2009, they have been revised to ensure they remain effective and are consistent with the Act, the Code and the Electricity Industry (Enforcement) Regulations 2010.

The draft revised procedures are available at:

http://www.ea.govt.nz/our-work/consultations/compliance/revised-rulings-panel-procedures

Feedback should be received by 10 June 2011.



Current consultations

• 2011/12 System Operator Draft Policy Statement

The Authority has published a regulatory statement for the purpose of consultation on proposed code amendments included in the draft Policy Statement.

The consultation paper is available at:

http://www.ea.govt.nz/our-work/consultations/pso-cq/2011-12-system-operator-draft-policy-statement/

Starting: 09/05/2011, Ending: 07/06/2011 4:00pm

Fourth consultation - Part 10 review, Advanced Metering Infrastructure: Nomination of the MEP and access to data
 May 2011

This paper is the fourth consultation undertaken in connection with the fundamental review of part 10 of the Code (formerly part D of the Rules

The consultation paper is available at:

http://www.ea.govt.nz/our-work/consultations/priority-projects/AMI-nomination-MEP-data-access/

Starting: 17/05/2011, Ending: 14/06/2011 5:00pm

Subscription

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