MARKET BRIEF

31 May 2011



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Consumer switching campaign launch

The Authority launched an information campaign on 29 May 2011, to provide consumers with detailed information about the ability to switch, the ease of switching and potential savings they can make on their electricity bills by switching.

The `What's My Number' campaign is a joint initiative of the Authority, the Ministry of Consumer Affairs and Consumer NZ, to help New Zealanders make more informed choices about their electricity suppliers. Funding of \$10.5 million over three years for the campaign was included in the Government reform package following the 2009 Ministerial Review into the Performance of the Electricity Market.

The campaign aims to encourage New Zealanders to shop around for the best retail electricity deals. It was prompted by the fact that consumers' inclination to change retailers is currently low. Results of a survey commissioned by the Authority show only 5 percent of respondents are actively looking at switching suppliers, yet 50 percent said they would switch retailers if they were offered a better deal.

For the 2010 calendar year, the Authority estimates households, on average, could have saved \$150 by switching to their cheapest available retailer. For some consumers savings could be several hundreds of dollars and as much as \$1000 for those with very high consumption levels in certain regions of the country. Nationally, the total savings potential amounts to some \$240 million.

The **What's My Number** campaign forms part of the Authority's work on promoting competition in the electricity industry for the long-term benefit of consumers, and promotion to consumers of the benefits of comparing and switching electricity retailers is specifically set out as one of the Authority's functions under Section 16 of the Electricity Industry Act 2010. The campaign, which is timed to coincide with the onset of winter and rising electricity consumption, aims to ensure consumers:

- Know they have a choice of electricity provider;
- Review their electricity supply on a regular basis;



- Are aware that switching electricity retailers is an easy, reliable and efficient process
- Save money on their electricity bills.

The website www.whatsmynumber.org.nz assists consumers to quickly ascertain how much they can save, using a simple calculator, provided by Consumer Powerswitch. They can then click onto www.consumer.org.nz/powerswitch to check the deals available and decide whether to switch.

Briefing – More standardisation of distribution arrangements: Proposed draft Code amendments

A briefing on proposals contained in the consultation paper for 'more standardisation of distribution arrangements' will be held on Tuesday, 7 June 2011, at the Museum of New Zealand Te Papa Tongarewa (Te Papa) commencing at 1.00pm.

Those wishing to attend should register by sending their names and company details to conference@ea.govt.nz with 'briefing attendee more standardisation of distribution arrangements' in the subject line.

An agenda for this briefing is available at:

http://www.ea.govt.nz/about-us/news-events/events-calendar/public-briefing-more-standardisation/

Briefing – Advanced Metering Infrastructure: Nomination of the MEP and access to data

A briefing to outline the Part 10 consultation paper for 'Advanced Metering Infrastructure: Nomination of the MEP and access to data' will be held on Tuesday, 7 June 2011, at the Museum of New Zealand Te Papa Tongarewa (Te Papa) commencing at 3.00pm.

Those wishing to attend should register by sending their names and company details to conference@ea.govt.nz with 'AMI: Nomination of MEP and access to data' in the subject line.

An agenda for this briefing is available at:

http://www.ea.govt.nz/about-us/news-events/events-calendar/public-briefing-advanced-metering-infrastructure/

Investigation of breaches alleged of Transpower New Zealand Limited as System Operator

On 26 May 2011, the Compliance Committee appointed an investigator to investigate self-reported and alleged breaches of the Electricity Governance Rules by Transpower New Zealand Limited as System Operator.

The self-reported breaches and alleged breaches concern the loss of power supply to Kinleith paper mill, Tokoroa and surrounding areas on 27 October 2010.

Further details are available at:

http://www.ea.govt.nz/act-code-regs/compliance/investigations-settlements-decisions/



Scarcity Pricing Technical Group: 18 May 2011

Meeting papers for the meeting of the Scarcity Pricing Technical Group (SPTG, previously SPDBTG) held on 18 May 2011 are available at:

http://www.ea.govt.nz/our-work/advisory-working-groups/spdbtg/18May11/

Standing Data Formats Group: 7 April 2011

Meeting papers for the meeting of the Standing Data Formats Group (SDFG) held on 7 April 2011 are available at:

http://www.ea.govt.nz/our-work/advisory-working-groups/sdfg/7Apr11/

Retail market statistics report: Name change

A retail market statistics report previously: titled `ICP's changing electricity supplier' is now known as the `Consumer Switching Statistics'. The report continues to be available at:

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

Code amendments

Two amendments to the Code come into effect on 1 June 2011.

- minor amendments to part 1 (preliminary provisions) and part 13 (trading arrangements); and
- transmission pricing methodology amendments to part 12 (transmission pricing).

An updated version of the Code with these amendments will be available on the Authority's website on Wednesday, 1 June at:

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

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

More standardisation of distribution arrangements: Proposed draft Code amendments
 The Authority is progressing a number of priority projects to improve the performance of the electricity market, including the proposed introduction of more standardisation of distribution use-of-system agreements and distributor tariffs.

http://www.ea.govt.nz/our-work/consultations/priority-projects/more-standardisation-proposed-code-amendments/ Starting: 25/05/2011, Ending: 22/06/2011 5:00pm

Subscription

To subscribe or unsubscribe please email:

info@ea.govt.nz