



MAJOR ELECTRICITY USERS' GROUP

26 August 2011

Greg Williams
Electricity Authority

By email to submissions@ea.govt.nz

Dear Greg

Consultation Paper – Scarcity pricing arrangements

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority "Consultation Paper – Scarcity pricing arrangements" dated 13th July 2011¹. MEUG members have been consulted in the preparation of this submission. Several MEUG members are also making submissions.
2. The proposed scarcity pricing regime for emergency outages seems to have reached the point where implementation details need to be finalised. Attention to detail is needed to ensure the regime improves rather than degrades incentives. This work isn't trivial and perhaps specialists within the industry need to be brought together to finalise issues.
3. The retraction in this consultation round from applying price floors in emerging possible energy supply shortage situations is welcome. However the suggestion that there is still a residual policy problem of lobbying that can advance the timing of an official conservation campaign to warrant a stress test is unfounded. The consultation paper tries to build other arguments in support of a stress test in lieu of conceding price floors are not needed but the outcome is not convincing.
4. The paper also implies the incremental cost of parties complying with proposed stress test should be modest. That is so far off the mark that it signals to us the Authority is not in tune with how market participants operate. We expect wide spread concern being expressed by purchasers and suppliers alike on the compliance costs associated with the proposed stress test. Even watering down the stress test will not overcome our core issue that the policy problem this is trying to solve has not been identified.
5. There is unanimous agreement by MEUG members that the stress test is an over-the-top reaction to a policy problem that does not exist.

¹ <http://www.ea.govt.nz/our-work/consultations/priority-projects/scarcity-pricing-proposed-code-amendments/>

6. Responses to the questions in the consultation paper follow:

| Question | MEUG response |
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| <p>Q1. Do you agree with the problem definition?</p> | <p>Agree there is a potential policy problem of miss-pricing or as it's referred to "the missing money problem" during unplanned energy supply shortages is reasonable.</p> <p>Do not agree the correct policy problem has been identified in emerging risk of energy supply shortage situations. We think MEUG, with the report by Sapere in the last consultation round, correctly identified the most important policy problem in situations of an emerging risk of energy supply shortage as being a missing market or efficient market set scarcity price issue.</p> <p>MEUG acknowledges the EA has a number of work streams under way that will assist solve the problem of a missing market or lack of an efficient market set scarcity price. For example improving hedging opportunities and dispatchable demand.</p> |
| <p>Q2. Do you agree that the proposed narrowing of scarcity pricing (to be applied for short-term emergencies and not for extended shortages) would be more consistent with the Authority's statutory objective?</p> | <p>Yes.</p> |
| <p>Q3. Do you agree that scarcity pricing should be applied as a price floor and cap, rather than simply a price floor during emergency load shedding?</p> | <p>Regulated price caps are always risky because of the arbitrary and static view on a cap the regulator must take compared to the dynamic approach a market sets prices. It's not clear the benefit of setting a cap outweighs the dampening of incentives for innovation within the market to avert high uncapped prices.</p> |
| <p>Q4. Do you agree that scarcity pricing should include a stop-loss mechanism, at least on a transitional basis?</p> | <p>Yes.</p> |
| <p>Q5. Do you agree that scarcity pricing should not apply for AUFLS per se?</p> | <p>Yes.</p> |
| <p>Q6. Do you agree with the proposed geographic threshold for initial application of scarcity pricing, and if not why?</p> | <p>No comment.</p> |

| Question | MEUG response |
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| <p>Q7. Do you agree that an amendment should be made to final pricing processes when an infeasible solution arises following an IR shortfall?</p> | <p>Do not agree for two reasons.</p> <p>First, MEUG believes the changes introduced in mid 2010 are sufficient. It's unhelpful and misleading that the EA use an example of offers on 5th October 2009 to support this proposal when that date preceded the mid 2010 rule changes. Behaviours since mid 2010 have changed and using prior cases to justify Code changes is risky. If the EA considers there is still a residual problem then MEUG suggests the appropriate next step is to assess all options including incrementally relaxing the constraint until a feasible solution is found to derive IR prices.</p> <p>Second, we are concerned about the precedent this sets for a price cap on energy offers. MEUG believes the EA does not support price caps for energy, except in situations where a supplier has a net pivotal situation. It's inconsistent to cap IR prices and not energy prices. Setting a cap for IR establishes a very dangerous precedent for those promoting a price cap should be applied to energy offers.</p> |
| <p>Q8. Do you agree with the proposed implementation timetable?</p> | <p>MEUG does not agree and instead suggest:</p> <ol style="list-style-type: none"> 1. Detailed drafting and practical final testing of the proposed scarcity pricing for emergency events be considered by a group of industry technical experts and practitioners. 2. The EA reassess if there is a residual problem post the mid 2010 rule changes when IR shortages occur, and if there is a residual problem then re-consider all options rather than the heavy-handed and poor precedent setting price cap proposal. 3. The stress test proposal is removed from the draft Code amendment. 4. The EA assess if there are any other policy issues arising such as information gaps arising from the claimed benefits of such form having a stress test. |
| <p>Q9. What is your view of the proposed review provisions for key scarcity pricing parameters?</p> | <p>Leave to an industry technical experts and practitioners group to consider.</p> |
| <p>Q10. What is your view of the trigger mechanism for declaring a national or island shortage?</p> | <p>Leave to an industry technical experts and practitioners group to consider.</p> |

| Question | MEUG response |
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| Q11. What is your view of the trigger mechanism for revoking shortage declarations? | Leave to an industry technical experts and practitioners group to consider. |
| Q12. What is your view of the proposed pre-dispatch and real time indicators for scarcity pricing? | Leave to an industry technical experts and practitioners group to consider. |
| Q13. Which approach do you believe will best meet the Authority's statutory objective (and why): <ul style="list-style-type: none"> • a common value for the GWAP floor and cap of \$10,000/MWh; or • a GWAP floor of \$10,000/MWh and a cap of \$20,000/MWh? | The second option. |
| Q14. Which approach do you believe will best meet the Authority's statutory objective (and why): <ul style="list-style-type: none"> • scaled pricing approach; or • flat pricing approach? | Scaled is preferable. |
| Q15. What is your view of the proposed approach to applying scarcity pricing across trading periods? | Leave to an industry technical experts and practitioners group to consider. |
| Q16. What is your view of the proposed approach to treating differences between forecast and actual conditions? | Leave to an industry technical experts and practitioners group to consider. |
| Q17. What is your view of the proposed approach to HVDC rentals, and what alternative (if any) would you support and why? | Leave to an industry technical experts and practitioners group to consider. |
| Q18. What is your view of the proposed approach to implementing a scarcity pricing stop-loss mechanism? | Leave to an industry technical experts and practitioners group to consider. |

| Question | MEUG response |
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| <p>Q19. What is your view of the proposed modification to final pricing when an IR shortfall occurs and an infeasible solution arises in final pricing?</p> | <p>Refer response to Q7.</p> |
| <p>Q20. What is your view of the proposed information to be disclosed?</p> | <p>It is unwarranted because:</p> <ul style="list-style-type: none"> • The proposed stress test is designed to overcome policy problems that have not been articulated, or those that have been suggested such as the ability of lobbying to advance the timing of official conservation campaigns, are simply incorrect; • There may be other information policy problems the stress test is trying to solve. If that is the case, then there are a range of information disclosures that should be considered to solve those different policy problems. • The proposal itself has not been well developed. For example: <ul style="list-style-type: none"> – NCFO and net assets are likely to be subject to some interpretation issues. Responses will therefore be inconsistent. – There will be a lag in receipt of information and information will not be based on a standard financial reporting year. This will further deteriorate the consistency of the information provided to the EA. The lag time will be substantial, ie in some quarters well over 12 months will have lapsed between the date of the audited accounts used for calculating NCFO and net assets and the stress test submitted. – It is unclear how the information will be used or that this has been carefully thought through. There have been anecdotal reports that the EA proposed to brief the Minister on company specific stress test data should a specific company lobby the Minister. It has been confirmed by the EA that stress test information will be confidential and therefore the EA will not be able to use company specific data to inform the Minister. If that is the case then what is the value to the EA of having company specific data? |

| Question | MEUG response |
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| <p>Q21. What is your view of the indicative stress test parameters?</p> | <p>If scarcity pricing is implemented for unexpected capacity outages, then why bother having a capacity stress test? The scarcity pricing parameters set in the Code should suffice to give parties certainty on risk boundaries. We see no value in requiring stress tests to be undertaken for possible unexpected capacity outages.</p> <p>The possible stress tests for possible emerging energy supply shortages have a number of problems:</p> <ol style="list-style-type: none"> 1. The policy failure isn't clear. 2. The proposed Code amendment gives the EA complete freedom to publish a stress test or tests as frequently and as complicated as they wish. The examples in the consultation paper are just that, simply examples and the EA can decide to have an entirely different test in practice. Too much discretion is given to the EA with no clear guidance or bounds within which to exercise that. MEUG believes this is an inappropriate use of the tertiary legislative making powers and goes beyond what Parliament envisaged the EA would allow itself the powers to do. 3. It seems incredible that the regulator will give the market a forecast of expected spot prices for the next quarter as the base against which higher stress test spot prices are to be considered. The regulator should not be in the business of forecasting expected spot prices; yet that is what this proposal requires. <p>It's likely the EA predictions of base spot prices next quarter will create more downsides than benefits. For example some purchasers may decide to forgo their own risk management processes in the misguided belief that the EA has vastly more resources and expertise to forecast prices and therefore the EA base case forecasts will become the standard for assessing risk. This may be satisfactory if the EA forecasts are never wrong. But they will be. This will create problems for the EA explaining their prior forecasts. It will also create overheads to participants to explain why their internal forecasts might be better or not than the EA forecasts. Rather than help risk management, the stress test will create unnecessary work and divert resources.</p> |

| Question | MEUG response |
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| <p>Q22. What is your view of the proposed level of guidance to be provided to participants?</p> | <p>Inevitably the proposed level of guidance will become more prescriptive as the EA realises the information provided by disclosing participants in their quarterly risk disclosure statements is inconsistent and has in some cases has a serious time lag.</p> <p>The stress test proposal if adopted will be the thin end of the wedge for more intrusive information requests and compliance costs for participants.</p> |
| <p>Q23. What is your view of the proposed frequency of reporting?</p> | <p>Onerous and unnecessary.</p> <p>There is a significant risk of the EA requesting updated information as part of information fishing expeditions. This risk arises because the draft Code fails to set out the parameters guiding when and specifically what information can be requested.</p> |
| <p>Q24. What is your view of the proposed coverage of a disclosure obligation?</p> | <p>Onerous and unnecessary.</p> |
| <p>Q25. What is your view of how information disclosed could be used?</p> | <p>MEUG objects to the example of possible summary stress test results set out in figure 6 of the consultation paper. Smart analysts will over time identify particular entities. The only way to guard against that risk is to use quartile or standard deviation statistics for the survey population as a whole rather than graph data points for specific respondents.</p> |
| <p>Q26. What is your view of the proposed compliance and auditing arrangements?</p> | <p>Onerous and unnecessary.</p> <p>Additional audit costs should be payable by the EA.</p> |
| <p>Q27. What is your view of the proposals when assessed against the Authority's statutory objective?</p> | <p>The stress test fails because a policy problem has not been identified, the proposed stress test solves a problem that no longer exists (ie lobbying can bring forward the optimum timing of a public conservation campaign) and the cost benefit analysis is incorrect.</p> |
| <p>Q28. What is your view of the alternative means of achieving the objectives of the proposed scarcity pricing and stress-testing regime?</p> | <p>In addition to the single buyer option, capacity mechanisms and a short-term forward commitment market, this section should have discussed the status quo; after all the status quo is the counterfactual used for the Regulatory Statement.</p> <p>MEUG notes some anecdotal and direct reports from the EA that the status quo isn't an option for perceived emerging energy supply shortages and it is either a stress test or back to price floors. The Regulatory Statement correctly uses and therefore acknowledges that the status quo, that is neither price floors or a stress test, is a viable option to be considered.</p> |

| Question | MEUG response |
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| <p>Q29. What is your view of the costs and benefits of the proposed scarcity pricing changes?</p> | <p>We expect the emergency outage scarcity pricing regime will incur the additional NPV costs of \$7m but be unlikely in the expected case to accrue any benefits relative to the status quo. This scenario was discussed in paragraph 269 of the consultation paper. The policy question is therefore whether the range of benefits and probability of those occurring is sufficient to skew the net NPV to be positive. The consultation paper summarises the value of the emergency outage scarcity pricing regime in this case as²:</p> <p style="text-align: center;"><i>“Accordingly, scarcity pricing could be seen as a useful insurance against undesirable outcomes.”</i></p> <p>MEUG believes the consultation paper has put a positive spin on this insurance benefit but fails to consider the poor incentives and disadvantages of the proposal as a whole. Our concern at possible downsides is also driven by concern at the complexity of the scarcity pricing regime for emergency events and the risk of unintended consequences; hence our proposal that an industry technical experts and practitioners group need to consider final drafting and design elements.</p> |
| <p>Q30. What is your view of the costs and benefits of the proposed stress testing regime?</p> | <p>Paragraph 275 of the consultation paper states:</p> <p style="text-align: center;"><i>“In conclusion, based on the assumptions and analysis set out in Appendix B, it is considered highly likely that the proposed stress testing regime would have positive net benefits from an economic perspective.”</i></p> <p>This conclusion is based on a break-even assessment of changes in GDP and frequency of official conservation campaigns compared to estimated NPV costs of \$4.4m (base case) or at most \$10m. There are five interrelated benefits claimed attributable to having the proposed stress test versus not.</p> <p>Comments on the estimated costs and then the five claimed benefits follow³.</p> <p><u>Estimated costs</u></p> <p>The incremental costs of implementing the stress test are seriously understated because:</p> <ul style="list-style-type: none"> • It is likely the stress test Code amendment will be |

² Ibid, paragraph 269

³ Ibid, section 6.4.3 and appendix B, paragraphs B.73 to B.88

| Question | MEUG response |
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| | <p>amended to become more prescriptive as the EA discovers the quality of the information is poor because it is inconsistently assembled, using different financial reporting balance dates and based on financial data that could be over 15 months out of date.</p> <p>Amendments to the stress test to make it more prescriptive will add compliance costs onto market participants.</p> <ul style="list-style-type: none"> • There is a risk the EA will use the very liberal scope of the Code amendment to have information fishing expeditions. This will increase costs to participants and raise the risk premium of conducting business in the New Zealand electricity market. • Requiring Directors to sign-off will add significant costs to all parties. Furthermore the practicability of having Director sign-off for companies listed overseas has not been considered. MEUG members with overseas domiciled boards of directors have noted that such a stress test requirement would reinforce any negative perceptions within those Boards that New Zealand was a risky place to invest. <p><u>Benefit 1: Reduce confidence being undermined</u></p> <p><i>“Reducing the damage to broader economic confidence and growth that arises from parties ‘talking up’ the level of security risk and lack of competition when the system is tight.”</i></p> <p>This benefit is considered to be the most important of the five claimed benefits⁴:</p> <p><i>“The primary benefit of the stress testing regime is expected to be stronger economic growth due to greater confidence in security of supply and greater confidence that electricity prices reflect competitive levels during supply shortages”</i></p> <p>The consultation paper calculates the change in GDP as a result of improved confidence needed to offset the NPV costs of implementing the stress test is so negligible that it’s in effect a “no brainer”. MEUG disagrees.</p> <p>There has and will always be debate about the</p> |

⁴ Ibid, paragraph 272

| Question | MEUG response |
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| | <p>structure and competitiveness and or ability of the market to be reliable and secure. It is healthy to have such debates because electricity markets are complex and often solutions come from the fringe not necessarily the mainstream. MEUG would rather have many different views being debated than the public be indifferent and leave development to a few technocrats. When the market gets tight or an unforeseen emergency occurs inevitably that debate and some extreme elements get public air time. MEUG hopes the Authority was not thinking that these different points of view aired at such times are the “... parties <i>‘talking up’ the level of security risk and lack of competition when the system is tight</i>” that somehow need to be quashed and the stress test is the mechanism to do so. MEUG notes:</p> <ul style="list-style-type: none"> • A requirement on market participants to lodge quarterly stress tests has no impact on stopping parties such as MEUG “<i>talking up’ the level of security risk and lack of competition when the system is tight.</i>” • “<i>Parties ‘talking up’ the level of security risk and lack of competition when the system is tight</i>” may well have a point and be interested in longer term solutions or reviews rather than demanding relief on spot prices. • If the problem is that the public and investors are getting only bad news or extreme views about the electricity market when under stress, then there are other solutions other than the proposed stress test. For example spokesperson from industry or perhaps even the EA can put the record right by providing a counter-balancing view. <p>We think the consultation paper when referring to “<i>parties ‘talking up’ the level of security risk and lack of competition when the system is tight</i>” is more likely re-running the argument in the previous consultation round that net exposed parties can lobby to advance a public savings campaign and therefore dampen spot prices. Since the Code was amended earlier this year this is no longer an option. This by itself negates the claimed benefit that a stress test will reduce confidence being undermined.</p> <p>Rather than reducing confidence being undermined, MEUG believes <u>confidence will be undermined</u> if a stress test is implemented as follows:</p> <ul style="list-style-type: none"> • Boards of Directors of large power users will view the stress test as either petty or reaffirm views |

| Question | MEUG response |
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| | <p>that New Zealand's market is very risky compared to other electricity markets where there is no equivalent test for users. Either way confidence by purchasers will be eroded if a stress test is introduced.</p> <ul style="list-style-type: none"> Inevitably the stress test will be modified to become more prescriptive. MEUG also sees the threat of the EA using the information gathering powers as too broad brush with the risk they could be used for information fishing expeditions. This will undermine confidence in the regulatory regime and the market by inference. This is particularly so given there is no clear policy problem that had been identified for which the stress test is the optimal solution. <p>Rather than a miniscule increase in GDP as confidence improves as claimed in the consultation paper, MEUG believes a more realistic assessment is that implementing the stress test will undermine confidence. The EA will get an initial gauge of how participants view the stress test and the impact on their confidence once submissions are in.</p> <p>While not necessary to the above argument rebutting this claimed benefit, MEUG notes the use of a back-of-the-envelope changes in GDP as a result of a very sector specific change in policy should not be regarded as an appropriate analytical approach. If the EA wishes to use changes in GDP as part of a cost benefit analysis of a policy option then the appropriate tool to use is a General Equilibrium Model or similar. We doubt many if any Code amendments will even register on such macro-economic models. Hence the EA should stick to the conventional micro-economic or project based cost-benefit-analysis (CBA) approach. When a standard CBA cannot be developed and instead qualitative arguments are needed to shore up a proposition; then MEUG becomes highly sceptical.</p> <p><u>Benefit 2: Reduce frequency of saving campaigns</u></p> <p><i>“Reducing the expected frequency of public conservation campaigns, by making it harder for parties to lobby for early use of campaigns without revealing their financial motivation.”</i></p> <p>This benefit depends on the claim parties can lobby for early use of campaigns. If this isn't true, then the claimed benefit is false.</p> <p>As noted beforehand the option of lobbying to cause an official conservation campaign to commence earlier</p> |

| Question | MEUG response |
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| | <p>than prescribed through the Code has been eliminated. Therefore this claimed benefit is worthless.</p> <p>The analysis that if the return period for a public conservation campaign were to increase by 0.4 years (base case) or 1 year (high cost scenario) then the stress test is justified is flawed because it assumes the timing of those campaigns is changeable by factors outside of the control, independent measurement and modelling of the System Operator. Suggestions that the System Operator and or EA could be lobbied seem remote given those parties are independent and the shift from the Electricity Commission to the EA was, in part, intended to remove the risk of political decisions as a result of lobbying..</p> <p><u>Benefit 3: Improve parties managing risk</u></p> <p><i>“Strengthening incentives for parties to prudently manage their exposures to spot price risk, with flow-on benefits in terms of more procurement of voluntary demand-side response, improved fuel management, investment/retention of energy reserve capability etc.”</i></p> <p>Parties already have strong incentives to manage risk. One of the options of managing risk, namely lobbying to advance public conservation campaigns, has been eliminated. New options are emerging as hedge markets become more liquid and in the future dispatchable demand becomes an option. The incentives to manage risk won't have change, just the options open to parties.</p> <p>We fail to see how imposing a stress test mandated and likely to become more prescriptive by the EA will improve incentives to manage risk. If the EA is concerned with the quality of risk management then options such as better and timely information should be consider. In other words this is a different policy issue to be considered. The stress test proposal will be a hindrance on companies improving their risk management processes because it diverts resources to tick another regulatory compliance box. If the EA considers end user risk management strategy formation and implementation is a policy issue then there are likely to be a range of other policies to reduce the risk of poor management. The imposition of the proposed stress test to solve a perception by the EA that the market has poor risk management practices is a draconian approach.</p> |

| Question | MEUG response |
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| | <p><u>Benefit 4: Better information for EA</u></p> <p><i>“Providing information to the Authority on the extent of systematic exposure to spot price risk in the wholesale market (which can inform decisions around matters such as the transitional stop-loss mechanism).”</i></p> <p>This should be a routine function of the Settlement and Clearing Manager to ensure the prudential integrity of the market. It’s not clear how all stress test information would be sufficiently timely or up to date in an emergency situation to allow the EA to make decisions on the stop-loss mechanism; unless of course the EA intends to exercise its ability through the proposed Code amendments to require up to date information from participants. Asking participants for this information while there is an emergency will not be welcome by parties likely to be under resource and management stresses at such a time.</p> <p>There is a self serving logic in this claimed benefit as follows. The benefit of a stress test relative to not having one is that the stress test information will give the EA better information to design a better stress test.</p> <p>MEUG does not agree this is a benefit.</p> <p><u>Benefit 5: Improved monitoring information</u></p> <p><i>“Providing information to assist the Authority in fulfilling its broader market monitoring functions under s.16 of the Electricity Industry Act.”</i></p> <p>This claimed benefit is a response to a related possible policy problem that the EA may not have the right information to assess if it is achieving an optimal or efficient level of security. If we are correct then the EA should properly identify that problem and consider alternatives not just leverage off the stress test proposal.</p> <p>MEUG is very concerned that the stress test might be viewed as another channel for EA to go fishing for information. Refer also our comments on Q.23.</p> <p>Overall we do not see this claimed benefit of improved information to the EA as being attributable to the stress test proposal. There may be an information problem for the EA but that should be considered in its own right and there are clear risks of the EA fishing for information under the guise of the stress test that need to be considered.</p> |

| Question | MEUG response | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | <p><u>Summary of benefits and costs</u></p> <p>The table below compares the consultation paper and MEUG assessment of benefits and costs:</p> <table border="1" data-bbox="810 490 1426 1030"> <thead> <tr> <th></th> <th>EA</th> <th>MEUG</th> </tr> </thead> <tbody> <tr> <td>Benefits:</td> <td></td> <td></td> </tr> <tr> <td>• Reduce confidence being undermined</td> <td>+ve</td> <td>-ve</td> </tr> <tr> <td>• Reduce frequency of savings campaign</td> <td>+ve</td> <td>n.a.</td> </tr> <tr> <td>• Improve parties managing risk</td> <td>+ve</td> <td>n.a.</td> </tr> <tr> <td>• Better information for EA</td> <td>+ve</td> <td>n.a.</td> </tr> <tr> <td>• Improved monitoring information</td> <td>+ve</td> <td>n.a.</td> </tr> <tr> <td>Costs:</td> <td>\$4.4m to \$10m</td> <td>Much higher</td> </tr> <tr> <td>Net benefit</td> <td>+ve</td> <td>-ve</td> </tr> </tbody> </table> <p>In summary MEUG assesses the stress test to have a negative net benefit.</p> | | EA | MEUG | Benefits: | | | • Reduce confidence being undermined | +ve | -ve | • Reduce frequency of savings campaign | +ve | n.a. | • Improve parties managing risk | +ve | n.a. | • Better information for EA | +ve | n.a. | • Improved monitoring information | +ve | n.a. | Costs: | \$4.4m to \$10m | Much higher | Net benefit | +ve | -ve |
| | EA | MEUG | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Benefits: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Reduce confidence being undermined | +ve | -ve | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Reduce frequency of savings campaign | +ve | n.a. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Improve parties managing risk | +ve | n.a. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Better information for EA | +ve | n.a. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| • Improved monitoring information | +ve | n.a. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs: | \$4.4m to \$10m | Much higher | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net benefit | +ve | -ve | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Q31. Do you propose any changes to the proposed Code amendments set out in Appendix C?</p> | <p>Yes. See our preferred next steps including changes to the proposed Code amendments in response to Q8.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |

7. This submission is not confidential.

Yours sincerely



Ralph Matthes
Executive Director