

Settlement and Prudential Security Technical Group ::: Meeting number 2

Venue ::: Electricity Authority, Level 7, 2 Hunter Street (ASB Tower), WELLINGTON

Time and date ::: 09:30 ::: 21 November 2012

## Agenda

	<b>Item</b>	<b>Time</b>
	<b>Morning Coffee</b>	09:15
1	<p><b>Welcome to the 2<sup>nd</sup> Meeting of the Settlement and Prudential Security Technical Group (SPSTG)</b></p> <p>Apologies</p> <p>Minutes of the previous meeting</p> <p>Matters arising</p>	09:30
2	<p><b>Project Update</b></p> <p>Review the SPSTG Issues Register with emphasis on:</p> <ul style="list-style-type: none"> <li>• first draft of Code amendments from Buddle Findlay;</li> <li>• partial net settlement;</li> <li>• weekly settlement;</li> <li>• progress on FTR prudential methodology; and</li> <li>• flexibility regarding initial margin (shortened market exit arrangements).</li> </ul>	09:45
3	<p><b>Introduction to the Interests Register by Ross Hill of the Authority's Legal Team</b></p> <p>Ross Hill of the Authority's legal team will provide an over view on the Interests Register and of the law relating to members of the SPSTG.</p> <p>Presentation only.</p>	10:00
4	<p><b>Presentation on Insolvency Law and the Code</b></p> <p>Buddle Findlay will provide a presentation on how the Code and Insolvency Law interact.</p> <p>Presentation only.</p>	10.15
5	<p><b>Update on Retail Advisory Group work</b></p> <p>The Authority's Market Design – Retail team will provide an update on the RAG's project on "Arrangements for managing retailer default situations".</p> <p>Presentation only.</p>	10:45
6	<p><b>Initial Code development</b></p> <p>This item will consist of a number of steps in which SPSTG members will be asked to discuss and assist with a range of questions and comments relating to the development of the Code and</p>	11:00

Item	Time
<p>market facilitation measures. We do not expect that all these will be covered at this the second meeting of the SPSTG.</p> <p>The first step of this item will be a review of the preliminary draft of a new Part 14A as provided by Buddle Findlay, which is included in the members’ document pack for the meeting. Members are asked to review the two documents related to this item, the first being:</p> <ul style="list-style-type: none"> <li>• the Buddle Findlay letter to the SPSTG, and the second</li> <li>• Buddle Findlay’s other document being the preliminary draft of a new Part 14A of the Electricity Industry Participation Code.</li> </ul> <p>These are being provided to allow members to prepare for the meeting, giving particular attention to the sections which are “yellowed”. These “yellowed” sections both ask questions and are provided to elicit members’ opinions on the clauses being developed.</p> <p>The next portion of the item will address a number of the issues set out in the “SPSR Issues Register”, which is also attached. It is proposed that this register form a reference for the issues the SPSTG considers throughout the project. The SPSR Issues Register is intended to consist of a record of the deliberations, and decisions made by the group. We intend add another field to the table which will show the status of each issue as the process continues. Suggested statii include:</p> <ul style="list-style-type: none"> <li>• open,</li> <li>• unresolved, and</li> <li>• completed.</li> </ul>	
<p>The group may choose to widen or change this list of statii.</p>	
<p>Work has already been started on a number of these issues. Members are asked to prepare by reading and forming opinions on the following items in the SPSR Issues Register. The specific issues to be considered at the meeting are:</p>	
<ul style="list-style-type: none"> <li>• partial net settlement (A1000 series – Identifier column);</li> <li>• weekly settlement (A2000 series); and</li> <li>• calculation of required prudential security levels (A300 series).</li> </ul>	
<p>It is not expected that the meeting will move beyond this point in the SPSR Issues Register at Meeting 2 of the SPSTG.</p>	
<b>7 Lunch</b>	12:00
<b>8 Continue with Item 6 - Initial Code development</b>	12:30
<b>9 Confirm arrangements for further meetings</b> Confirm dates set for the following SPSTG meetings	15:00