

30 April 2013

Submissions
Electricity Authority
PO Box 10041
Wellington 6143

By email: submissions@ea.govt.nz

Dear Sirs

Consultation Paper – Review of the Undesirable Trading Situation provisions in the Code

Thank you for the opportunity to provide feedback on proposed changes to the UTS provisions in the Code. It is clear from the High Court's judgement in relation to the UTS on 26 March 2011, that the Code needs clarification in a number of respects.

Nova Energy does not agree however that the solution is to broaden both the scope and level of discretion available to the Electricity Authority to make decisions under the UTS provisions. By doing so, parties that may be aggrieved by decisions made under the Code have extremely limited scope for appeal. The net result is that confidence in the wholesale electricity market may be reduced, rather than enhanced as claimed by the EA.

Nova Energy has had the opportunity to review Genesis Energy's draft submission on this matter. Nova Energy supports the general thrust of Genesis Energy's submission, and specifically its recommendations to:

- restrict the scope of the UTS provision to the spot market for electricity and ancillary services directly related to price setting; and
- to refer the proposed changes to the Wholesale Advisory Group for further consideration.

Please feel free to contact me if you wish to discuss our views further.

Yours sincerely



Paul Baker
Commercial & Regulatory Advisor

pbaker@novaenergy.co.nz

dd: 04 901 7338