



Wednesday, October 13, 2021

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Nicki Crauford
Chair
James Stevenson-Wallace
Chief Executive
The Electricity Authority
WELLINGTON

By email: Nicki.Crauford@ea.govt.nz
James.Stevenson-Wallace@ea.govt.nz;
Cc: mark@verbiest.co.nz

Dear Nicki and James

Wholesale Market Competition Review

Thanks for arranging the meeting with Mark and myself yesterday. We covered a lot of ground so I thought I would provide the essence of the comments we made in respect of the "fact-checking" information the Authority's staff provided us.

We recognise we have only been privy to very limited extracts from the Authority's wider report reviewing wholesale market competition and have seen even less of the related Issues paper. As we discussed, our comments were only in relation to the material we have seen.

As a general point, from the information we have seen, we remain concerned with the tone and factual accuracy of some of the comments that relate to Meridian and in particular Meridian's motivations in respect of NZAS and wholesale spot market offers in general. It may be relevant to give further context as well to ensure balance. We think it is important that the Authority's review includes only firmly fact-based conclusions that are carefully framed to avoid inadvertently or improperly causing reputational damage to participants before they have had the chance to read the full Review and Issues papers and respond to them. We are still concerned about the capacity for some of the Authority's statements, as currently framed, to be misconstrued or misinterpreted. **s 9(2)(b)(ii) and s9(2)(ba)(i)**

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s 9(2)(b)(ii) and s9(2)(ba)(i)

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s 9(2)(b)(ii) and s9(2)(ba)(i)

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s 9(2)(b)(ii) and s9(2)(ba)(i)

Finally, and as indicated in the meeting, we still believe the most appropriate course would be for the Authority to consult more fully with all participants in respect of whom it proposes to make potentially adverse findings. This can only contribute to ensuring the Authority's Review and Issues papers have the firmest possible basis before they are publicly released. I have asked the Meridian team to provide your team with a copy of the legal advice we have received on this point.

Thank you again for your time yesterday.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Neal Barclay', written in a cursive style.

Neal Barclay
Chief Executive