MARKET BRIEF

29 March 2011



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Consultation on scarcity pricing

The Electricity Authority has published a consultation paper on development of a proposal for scarcity pricing.

Scarcity pricing is designed to address concerns that spot prices are likely to be suppressed when non-price mechanisms, such as calls for voluntary electricity conservation by consumers or enforced rolling outages, are used to curtail demand. The consultation paper develops proposals for market improvements that deal with the different circumstances in which scarcity situations are expected to occur in the market.

Submissions should be provided to the Authority by 5 pm on Friday, 29 April 2011.

The consultation paper is available at:

http://www.ea.govt.nz/our-work/consultations/priority-projects/scarcity-pricing-arrangements-proposed-design/

Daylight saving – 3 April 2011

Reconciliation participants are reminded that, in accordance with clause 15.36 of the Code, submission information provided to the Reconciliation Manager is required to be adjusted for the end of daylight saving on Sunday 3 April 2011.

Updated hydro inflows dataset (2010 SPECTRA Update, Issue 8)

Opus International Ltd has completed the 2010 SPECTRA Update for hydro inflow data up to 30 June 2010. A report and data in various formats is available at:

http://www.ea.govt.nz/industry/modelling/cds/hydro-inflows/

Please notify the Authority if any errors are identified by emailing info@ea.govt.nz with 'SPECTRA update' in the subject line.

The Authority acknowledges the cooperation of the following companies in providing data for this update:

- Contact Energy Limited
- Genesis Energy Limited
- Meridian Energy Limited
- Mighty River Power Limited
- Joint Venture (Todd Energy/King Country Power Company)



- Pioneer Generation Limited
- TrustPower Limited

Compliance with arm's-length rules: 31 March

Directors of businesses involved in electricity distribution, generation, and retailing to which the arm's-length rules apply, are reminded that, under section 89(1) of the Electricity Industry Act 2010 (Act), they must provide a statement to the Authority by 31 March, confirming whether or not they complied with the arm's-length rules in the preceding calendar year.

The statement form is available at

http://www.ea.govt.nz/act-code-regs/part-3-of-the-act/

Enquiries, with arm's-length rules in the subject line, should be emailed to:

info@ea.govt.nz

Consumer Switching Fund: Switching facilitators and on-line tool providers – RFP period further extension

To provide for circumstances affecting the respondent the Authority is extending the above tender period by a further 2 weeks. The RFP will now close on 11 April 2011, at 4 pm.

Background information is available at:

http://www.ea.govt.nz/consumer/csf/

Distributed generation reporting due by 1 April

The Authority reminds distributors that they are required under Part 6 of the Code to report distributed generation statistics to the Authority on or before 1 April 2011. These requirements are detailed in clause 26 of Schedule 6.1 and relate solely to the 2010 calendar year.

Part 6 of the Code replaced the Electricity Governance (Connection of Distributed Generation) Regulations 2007 with effect from 1 November 2010.

General information about Part 6 and the required submission form are available at:

http://www.ea.govt.nz/industry/market/distributed-generation/

A nil return is required where there is no data to report. Completed forms, nil returns or any queries on the topic should be directed to retailoperations@ea.govt.nz.

Transmission Pricing Advisory Group (TPAG)

TPAG Papers for the 28 March meeting have been published at:

http://www.ea.govt.nz/our-work/advisory-working-groups/tpag/tpag-meeting-28-march-2011/



Submissions TPM Code Amendment Proposal

Submissions on the Code Amendment Proposal: Regulatory Framework Transmission Pricing Methodology (TPM) has been published at:

• http://www.ea.govt.nz/our-work/consultations/priority-projects/regulatory-framework-tpm/submissions/

Subscription

To subscribe or unsubscribe please email:

info@ea.govt.nz