

MEUG 8 week rolling calendar week starting 24th October 2016¹

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~ Anne Herrington appointed to the Security & Reliability Council following resignation of Judi Jones	
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New WITS Data Hub started replacing WITS Free to Air (https://www2.electricityinfo.co.nz/) ✓	
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~ Code Amendment Dispatchable Demand during Tight Market Conditions gazetted and comes into effect 3 Nov. This clarification is a step towards making DD an option for more consumers ✓	
~ EA agreed to quickly start process to consider Mercury Energy's proposal for a new Central NI FTR Hub. 13 parties including MEUG supported the proposal. Good industry led initiative facilitated by Mercury ✓	
~ A major milestone in the continuous development of the ancillary services markets with the start-up of the National Market for Instantaneous Reserves on 20 October. Start-up will be staged over 4 weeks. This will lower IR costs that are ultimately paid for by consumers. An excellent initiative by the EA and System Operator ✓	
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~ Tony Ryall will replace Mark Verbiest as Chair of Transpower on 1 st November 2016.	
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¹ Updates last rolling calendar for week starting 19 September 2016.

MEUG rolling calendar from week starting 24 October 2016	Status	Oct-16	Nov-16	Dec-16	Notes, long-term timeline.
<u>Policy and industry governance</u> Parliamentary Business House sitting programme 3 days each week from: Energy Innovation (Electric Vehicle and Other Matters) Bill to be tabled in the House.			1, 8, 15, 29	06, 13	Hon Simon Bridges announced 1 September the Bill would be introduced in 2016 and levy changes would take effect from mid-2017.
MBIE MBIE Consumer Rights Day 2016 MBIE EDGS – planning for second edition MBIE regulatory charters: ~ Competition regulatory system ~ Energy markets regulatory system Decisions and next steps pending: ~ IEA In-depth review of NZ ~ Targeted Commerce Act review (x-subs) ~ NZ Electricity Efficiency and Conservation Strategy 2017-2022, targeted consultation ~ Change to Electricity Industry Act 2010 to allow EA to set fees	new new new Closed: April 21-Jul 29-Jul 2011	26			Inaugural edition published 29 August 2016. Per Regulatory Management Strategy 2016/17, August 2016 Due mid 2017 Due mid 2017 IEA report public February 2017. Public consultation round October to December. NZEECS, required by legislation, fits within Government's wider National Energy Strategy and economy wide energy targets. The Minister is considering the latter.
EA Board meetings EA appointed Anne Herrington to SRC in mid-September following resignation of Judi Jones Possible consultation paper 2017-18 appropriations: Start→Close Regulatory Managers & Consumer Reps meetings Security and Reliability Council (SRC) meeting Decisions and next steps pending: ~ reorienting advisory groups , 19 submitters.	confirmed new tba Closed: 20-Sep		02, 30	06 08	MEUG sub at http://www.meug.co.nz/node/801
EECA Possible consultation paper on 2017-18 levy funding: Start→Close Farewell for Mike Underhill, EECA CEO	new	25	02	06	
MEUG: monthly meetings		26	23	14	

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<u>Seminars and other</u>					
MBIE Smart Grid Forum and Callaghan Innovation, Insights from the US smart grid mission	new		01		Wellington
NZ Gas Industry Forum 2016			02-04		Queenstown
BusinessNZ Energy Council seminar: Simon Mackenzie, CEO Vector, Leading the transformation of the NZ energy sector	date Δ		08		Wellington
Freeman Media's Energy Trader Forum	new		16		Wellington: Forum partners NZX, emsTradepoint, GIC, ERANZ
2016 NZI Sustainable Business Network Awards			17		Auckland
ERANZ inaugural AGM Stakeholder event	new		17		Wellington
Energy Law Assoc. , lunchtime seminar, Amy Ryburn & Sebastian Bisley, Update on the law of penalties.	new		19		Wellington
38th NZ Geothermal Workshop			23-25		Auckland
Concept Consulting 3 rd report: EV, PV & batteries – social impacts	revised			possible	1 st report covered climate change effects. 2 nd report covered economics.
BusinessNZ Energy Council Breakfast Seminar & BEC Meeting, Simon Bridges					21 February, Date to be confirmed
NZ Downstream conference 2017					7 & 8 ^h March. Auckland
<u>Training</u>					
Energy Management Assoc. of NZ training courses					
~ Advanced measurement and verification workshop			01, 30		Venue tbc
~ NZ Understanding Electricity Markets training course		26-27			Wellington
Government Economics Network training:					
~ Intro to Economic Evaluation		27-28			Dr George Rivers
BusinessNZ's Wellington Seminar	new		14 & 15		Wellington

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Markets					
TPW de-merger on hold following South Australian black-outs	new				
Retail Advisory Group (RAG) meeting	new		09		
Code review programme 2016 - subs due	new		29		
EA review of Participant audit regime – consultation starts	new				
Retail					
EA survey to understand the extent to which residential, C&I and SME consumers are aware of the risks of being on a spot tariff and how they would manage these.					
EA Trader and distributor forum	new			07	Wellington.
EA MEP and ATH forum	new			08	Wellington. MEP=metering equipment provider. ATH=authorised test house
Data & Data Exchange, barriers to mass participation - EA “exploring the issues”	new				Eg peer to peer models etc. and other business models/process opportunities/risks driven by emerging technologies.
Wholesale²					
Recent decisions and reports:	Published:				
~ EA Post implementation review of DSBF	20-Sep				Very good report. Of interest to MEUG first because at the time considerable debate when introduced so interested if it has worked. And second precedents in methodology for future post implementation reviews, eg of the DD regime.
~ EA Dispatchable Demand during tight market conditions	04-Oct		03		Final decision is as proposed of a bid cap of \$15k/MWh and then above that all bids must be at \$600k/MWh. MEUG suggested a bid cap of \$20k/MWh. The code amendment will come into effect on 3 rd November. EA acknowledged there would be value in having a post-implementation review of the DD regime as suggested by MEUG and MEL. MEUG linked that review and lessons learned with future adaptation of DD to fit with RTP.
~ SO, Allocation of IR costs to gens with dispensations once NMIR starts	04 Oct				Decision is to charge higher of the two-island costs.
~ Draft (ancillary services) procurement plans	04-Oct				No subs received by EA. Final decision soon & implement by 1 December.
~ Mercury request 26-Aug for a new Central NI FTR Hub	11-Oct				13 parties including MEUG supported MCY proposal. EA decided request “has merit”, will instruct FTR Manager to engage with industry immediately on adding one or more FTR hubs. MEUG suggested Kawerau be considered along with Whakamaru proposed by MCY. Implementation at best 2 nd half 2017. Good industry led initiative facilitated by Mercury.
~ SO under-frequency final decision - event 16 May	10-Oct				Causar: GNE (Huntly #5), event charge = \$360,250.

² Includes contestable ancillary services, eg Instantaneous Reserves (IR). See Monopolies section for AUFLS and security of supply topics.

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<u>Markets, Wholesale - continued</u>					
FTR monthly primary and <i>variation</i> auctions			09, <u>16</u>	14, <u>21</u>	Refer FTR Calendar 20-Oct-16
Wholesale Advisory Group (WAG) meeting	new		17		
Under-frequency event 8 th September – SO report on causer		soon			
Wholesale & Information Trading System (WITS) and WITS Free to Air (WITS FTA) being upgraded over the next 2 years					
NMIR reserves sharing enabled in stages from 20 October to:	new		17		Staged deployment to full sharing limits 17 th November onwards A major milestone in the continuous development of the ancillary services markets. This will lower IR costs that are ultimately paid for by consumers. An excellent initiative by the EA and System Operator
DOC approval in principle for Westpower's proposed Waitaha hydro power station – subs due	new		14		16-20 MW, 110-120 GWh pa. "This will be the largest hydro generation Scheme on the West Coast providing renewable energy from the Coast for the Coast."
WAG paper on IR event charge and cost allocation subs due	published		22		
Coinciding HLY, TCC & HVDC outages late November.	updated		25-29		SO and participants actively minimising risk. CAN update 6th October
EA info paper on longer-term FK services	new		Nov.		
EA paper on improving forecast prices hours ahead	new			possibly	
Dispatch management: Alternatives to or change from GENCO	new	ongoing			TPNZ investigating
ASX futures & options (F&O):					
~ ASX F&O users' group meeting			Nov.		Wellington. ASX may also undertake some industry training.
~ Launch of \$300 capacity cap & \$130 energy cap products					May 2017
~ EA review of ASX/AEMO work on offsetting ASX and spot market prudential requirements	new				ASX/AEMO not implementing but EA checking in case could use in NZ.
Lower priority hedge market development investigations:					
~ FTR enhancements eg overseas participation	new				
~ Possible standard OTC and intermediating contracts	new				
~ Transparency on ASX development activity	new				
Wind generation offers – implementing WAG recommendations	new				
Market Performance enquiry on 2nd June 2016 high spot price event	wip				
Shorter gate closure and revised bid/offer revisions					Go live mid to late 2017.
Real time pricing (RTP) – consultation paper					Early 2017 following EA decision paper 9 August 2016.
Survey spot exposed consumers on price schedule(s) they monitor	new				Action from DSBF market performance enquiry report 20 September
Decisions and next steps pending:	Closed:				
~ EA, FTR allocation plan – EA changes 9 subs, 1 x-sub made.	13-Sep				MEUG sub at http://www.meug.co.nz/node/800
~ EA, Hours ahead market	24-May				
~ WAG, Review of wholesale market disclosure exclusions	23-Aug				MEUG sub at http://www.meug.co.nz/node/795
~ Otorohanga DC, Nova Energy resource consent application for proposed Waikato Power Plant	17-Oct				Not publicly notified – if had been MEUG would have supported – refer MEUG Chair Update October 2016 at http://www.meug.co.nz/node/806

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<u>Monopolies</u> Line general <u>IM review:</u> ~ Targeted consultation on cost allocation: x-subs due ~ Technical consultation update paper: subs due ~ Late ENA sub on reduced live-line work on DPP/CPP: subs due ~ Final IM decisions announced ~ TPNZ IRIS ~ Related party transactions ~ Gas CPP info requirements ~ Transpower Capex IM review Trustpower (TPW) application for judicial review of TPM and DGPP consultation processes Office of the Auditor General case studies selected AMP practices	new	25	03 03		MEUG sub at http://www.meug.co.nz/node/807 Decisions apply to Gas DPP reset decisions to be made by May 2017. Other carried over IM work (next items) not relevant to gas. Draft decision 2017Q1 → Final decision 2017Q2 Draft decision 2017Q1 → Final decision 2017Q4 Draft decision 2017Q3 → Final decision 2017Q4 2017 High Court decision due following hearing 14 th and 15 th September. First half 2017.
<u>Transmission</u> Recent decisions: ~ Tony Ryall to replace Mark Verbiest as Chair from 1 st November TPNZ to publish paper on process for deciding service measures Actions post UNI gen decommissioning report 15 th March: ~ See WUNIVM in decisions and next steps pending below. ~ Reverse plan to close Arapuni bus split in 2017 TPM: EA to release a supplementary TPM consultation paper on proposed refinements to the proposal of 17 May following consideration of subs that closed 26 July. Decisions and next steps pending: ~ TPNZ: Transpower Works Agreement ~ EA: DGPP (ACOT) ~ TPNZ: Waikato & UNI Voltage Management (WUNIVM) ~ TPNZ: Bunnythorpe-Wilton (Judgeford to Wilton) reconductoring investigation	Published: 30-Sep new tba new Closed: Feb 26-Jul 30-Aug 19-Oct	 soon 	01 	 06 	Ministers Bill English (Finance) & Todd McClay (SoE) announcement There are a number of other investigations underway also. Subs due 10 February. EA will then consider whether any further process steps are required, eg x-subs or a hearing. Decision on guidelines mid-April. See also above TPW application for judicial review of TPM and DGPP. Expect next consultation near end 2016. MEUG sub at http://www.meug.co.nz/node/746 MEUG sub at http://www.meug.co.nz/node/779 EA advised 18 October that 1 st phase will be ≥ April 2018. MEUG sub at (http://www.meug.co.nz/node/799) MEUG sub at http://www.meug.co.nz/node/808

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<u>Monopolies - continued</u> Distribution Recent decisions: ~ Orion transition CPP to DPP 2019/20 – Final decision	Published: 07-Oct				Orion's CPP ends 31 st March. For the one year starting 1 st April 2019 Orion will have a 1 year DPP before going onto new 5 year DPP applying to EDB starting 1 st April 2020. This decision covers that single DPP year 2019/20. There was no change to the draft decision for 1 st April 2019 starting prices to equal the last CPP year prices excluding claw-back with an inflation adjustment. Orion still have time to apply for a new CPP starting 1 st April 2019 instead of going back to DPP. MEUG agreed the CC proposal was a pragmatic solution for this single DPP year even though, in our view, it is likely to have erred in favour of Orion's shareholders. The CC did acknowledge MEUG's concern that the process and timing used for setting this single year DPP should not be used as precedent for other CPP to DPP transitions.
Proposed Default Distribution Agreement (DDA): ~ For submitters that may have missed it, subs on Q3 again ~ Vector & Entrust application for a declaratory judgement on EA's DDA jurisdiction – possible timeframe hearing will be held	possible	25	11 16	Subs closed 19 April
Distribution pricing: ~ EA communicate to EDB expectation that by April 2017 they will publish their plans to adopt efficient price structures ~ ENA consult on pricing options ~ EA Review of TLC pricing and load control	new	soon	soon		EA will publish monitoring framework and track progress. EA will review EDB pricing principles+info guidelines and consult April 2017
CPP: Start of next 6 working day application window	new				Announced August 2016. Completion 6 to 12 months.
DPP 2020-25: CC commences process					13 February 2017. Then 1 May 2017.
Decisions and next steps pending: ~ ENA pricing guidelines	Closed: 06-Oct				April 2018
System security Review of the Customer Compensation Scheme – subs due Review of the stress test regime – subs due SO proposal the NZ Generation Balance (rolling weekly update driven from POCp) replace annual National Winter Group process	published published new		29 29		
Extended reserves (a.k.a. NI AUFLS project): ~ SO: Technical Requirements Schedule subs due ~ NZX: Selection Methodology subs due ~ Data request to NI Distributor's & direct connects	published published		14 14		
Decisions and next steps pending: ~ Review of scarcity pricing – 8 submissions. ~ Extended reserve operational code amendments	Closed: 07-Jun 04-Oct				Mid-February 2017 data request → Due date likely to be mid-April MEUG sub at http://www.meug.co.nz/node/773 MEUG sub at http://www.meug.co.nz/node/805