

Electricity Authority

Submissions
PO Box 10041,
Wellington 6143

To whom may concern,

We are a new participant to the electricity market and have recently negotiated a number of UoSA's with various energy distributors. There are a number of implications for us which the Authority has already identified, especially as a new participant.

1. What is your view of the Authority's assessment of the arrangements that are currently in place governing the way distributors and retailers develop, negotiate, and agree UoSAs, and of the issues that the Authority has identified? Please provide your reasons.

1.1. We find the Authorities assessment to be accurate.

2. What feedback do you have on the information in section 3, which describes the Authority's proposed new Part 12A of the Code, which includes a DDA template, requirements to develop a DDA, and provisions that provide that each distributor's DDA is a tailored benchmark agreement?

2.1. We draw particular attention to the section titled "A new process streamlines network access arrangements for entrant traders". This looks like it would bring significant gains in efficiency and consistency between agreements. It would also significantly streamline our on boarding process for new distributors.

2.2. We propose that the Authority should proceed.

3. What feedback do you have on the detail provided in section 3, which describes the Authority's proposal to introduce a DDA into Part 12A of the Code along with supporting processes that are designed to allow distributors' DDAs to act as tailored benchmark agreements?

3.1. We would like to propose that all distributors should be required by the Code to have their default UoSA's / DDA published on their website publicly in an easily accessible location. This should also be able to be provided by email or post within a specified timeframe (5 or less business days ideally).

3.2. We propose that the Authority should proceed.

4. What are your views on the regulatory statement set out in section 4?

4.1. We agree with the Authorities view that the Proposal will result in increased competition.

4.2. We are more likely to enter into more UoSA's if the processes, and as a result costs, are streamlined. This will particularly have an effect on embedded and smaller networks.

5. What are your views on the detailed drafting of the Code amendment provided in Appendix B and Appendix C?



- 5.1. We draw attention to the section titled "Election of prudential requirements", specifically the subsection referring to "the trader must provide and maintain acceptable security by, at the trader's election".
- 5.2. This section as it currently stands is subject to wild variation in interpretation on the basis of the distributors discretion. This has a significant impact on new retailers or existing retailers entering into new UoSA's, particularly so when the initial trading amounts are projected to be low.
- 5.3. We propose that the Authority introduce more certainty into the Code in relation to prudential requirements. More specifically, we would like to ask the Authority to change the Code to specify that prudential requirements would not be required under a specified trading volume (for instance, \$1000-2500 per trading period or month).

Regards,

Cody Cooper
Managing Director