

From: Grant Benvenuti
Sent: Tuesday, 12 March 2024 4:33 pm
To: Airihi Mahuika; Andrew Millar; Mark Herring
Cc: Saki Hannah; Matt Carnihan; Nicole Gagnon
Subject: FW: Decisions and next steps from today's meeting - 9 August 2021 settlement

Hi Airihi, Andrew, Mark, just to keep you in the loop.

Discussions have started on the process for, and performance of, the invoicing and settlement for 9 August (note, some process are monthly so settlement of these is for all August, not just TP37-42 on 9 August). We had our planning meeting today with the three MOSPs. Decisions and next steps are below. I'll let you know when we have agreed the dates.

Nicole and Matt will take the lead on any negotiations regarding costs additional to the BAU payment already made for initial settlement. Saki and I will support them when requested. Once we are clear on what the additional costs are, we can update the investment bid for SLT approval (of any change to the initial bid)

Happy to discuss further if you want more detail

Cheers
GB

Grant Benvenuti
Principal Advisor
Electricity Authority

s9(2)(a)
[Redacted]

From: Grant Benvenuti
Sent: Tuesday, March 12, 2024 4:25 PM
To: s9(2)(a)@nzx.com>; Murray Henderson
s9(2)(a)@transpower.co.nz>; s9(2)(a)@ems.co.nz>
Cc: Saki Hannah s9(2)(a)>; Nicole Gagnon s9(2)(a)>; Matt
Carnihan s9(2)(a)
Subject: Decisions and next steps from today's meeting - 9 August 2021 settlement

Hi s9(2)(a) s9(2)(a) s9(2)(a) can you please pass this email onto the other members of your team as necessary.

Thanks for you and your team attending the planning meeting today (12 March 2024). A summary of the decisions needed for you to progress your planning:

- 1) When settling the six trading periods (and all the processes that flow from that) please use the R0 submission volumes. This is the initial settlement for these periods, so the standard Code process should be followed for transparency, which means using the R0 volumes, and all the associated processes such as HSA, FTR rentals and settlement, ancillary services allocations, con

on/off, LCE (and any I have missed). Once finalised, the processes can be rerun using the standard washup processes for R1, R3, R7 and R14. The washup processes can be consolidated but the resulting invoice needs to detail the changes for each of the washup volumes

- 2) No independent audit is required. The bulk of the processing will be using the standard BAU processes and software, albeit with a some manual intervention . All your BAU processes have the usual checks and balances, and formal controls to ensure the outputs are reasonable and in line with expectations. This should provide enough oversight to ensure the outcomes are robust
- 3) The process of settling R0 should exclude any interest accrued in the clearing manager's accounts. The settling of the R1, R3, R7 and R14 should include the normal interest calculations as required under the Code, and also exclude any interest accrued in the clearing manager's accounts. Disbursement of accrued interest is managed by a separate Code required process. All interest is disbursed to generators based on market share. Generators are the main out of pocket participants as a result of delayed settlement of 9-August as they haven't yet been paid, so disbursed interest is in principle generally going to the right participants.

The above is what I got from the meeting, are any other decisions or directions required from the Authority? Please let me know if you have any concerns with the above, and why.

Next steps:

Clearing manager, system operator and FTR manager:

- 1) Write up their implementation plan, including timing, dependencies and completion/publishing/payment dates. Please send to Saki and me, and cc in Nicole and Matt (as applicable)
- 2) Start the CR/TAS process if there are any additional costs – these will be managed by Matt/Nicole as the lead, with support from Saki/me. Please send to Nicole and Matt (as applicable), and cc in Saki and me
- 3) You can start any of the processes before a CR/TAS is agreed, and the Authority will act in good faith and ensure the parties are kept whole
- 4) Once settlement is complete and payment of residual LCE has been made to the grid owner, the grid owner will follow their standard process for disbursing residual LCE to connected parties.

Please note: once we agree on the date the invoices will be published, and the date of settlement, then we will be publishing these in Market Brief to keep participants informed

Cheers

GB

Grant Benvenuti
Principal Advisor

s9(2)(a)

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