

Investment bid: Costs for settling 9 August 2021 invoices

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Business area: LMC

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Summary

Insert an executive summary of the investment bid

Request \$0.060m (final amount TBC) in funding to pay for costs incurred by the system operator and the clearing manager, and (potentially TBC) FTR manager to finalise and settle participant invoices for August 2021

Is this an existing initiative or carrying on work started in a previous year? [~~Yes~~/ No]

If yes, how much has been spent to date? [N/A]

Description

Briefly describe what the investment is “buying”...

This funding is for necessary costs to complete settlement of the six Trading Periods (TP) impacted by the High Court judgment dated 16 Feb2024. Costs are for – NZX Energy, system operator, FTR manager.

In addition to the work to settle the six TPs (37-42 on 9 August 2021) work also needs to be done to calculate and allocate changes for processes needing the full month’s finalised settlement - ancillary services, LCE, FTRs and HSAs .

Problem

What problem or issue is this initiative intended to address?

Implementing settlement as required by the judgment of the court. Costs are incurred as there is additional work needed to perform full settlement for historical periods.

Strategic alignment

How does this align with the Authority’s strategic ambitions or statutory objective\*?

Alignment	None	Some	Strong	Critical enabler
“Trust and confidence				X

Rationale for alignment

s9(2)(h)

Cost

By Expense (\$)	23/24	24/25	25/26	Description
Operating Expenditure				
Personnel	xxx	xxx	xxx	[N/A]
Other Operating	\$60,000	xxx	xxx	External parties fees – Not final amount still to be agreed with the MOSPs
Total	\$60,000	xxx	xxx	
Capital Expenditure				
	xxx	xxx	xxx	[N/A]

What are the costing assumptions supporting the numbers?

- We have yet to receive starting estimates from NZX Energy and system operator. The amount requested will be updated once these have been received as this will be the max needed

Funding

How is this initiative funded? (prioritised within own forecast, or Authority investment pool)

Authority investment pool

Benefits

What are the benefits of investing in this initiative?

The market retains confidence in the Authority’s ability to work with MOSPs & manage changes as they arise

Risk of inaction

What are the risks or impacts if this initiative is not prioritised?

s9(2)(h)



\*Strategic ambitions: Low-emissions energy | Consumer centricity | Trust and confidence | Thriving competition | Innovation flourishing    Statutory objective: Competition | Reliability | Efficiency | Consumer protection