

From: [Paul Sullivan](#)
To: [John McCabe](#)
Cc: [James Goodchild](#); [Doug Watt](#); [Jo Goudie](#); [Laetitia Leroy de Morel](#)
Subject: RE: Wholesale market competition [IN-CONFIDENCE]
Date: Monday, 6 November 2023 3:12:27 pm
Attachments: [image001.png](#)
[image002.png](#)

Good afternoon John

Thank you for this. We appreciate the comprehensive question set; and will be on hand to address these tomorrow.

We also wanted to share with you a broad update on our work, which is below; likewise we will cover this in more detail tomorrow.

Paul

[In Confidence]

What we're doing

Looking at the ASX and OTC contract markets to better understand:

- The availability and accessibility of risk management solutions to independent retailers
- The pricing relationship between the ASX and OTC market
- The supply and pricing of shaped solutions
- The interaction of contract markets with the retail market.

We want to know about:

- Accessibility of the contract market
- Price differentials between ASX and OTC
- Other mechanisms for risk management
- How the contract market affects competition in the retail market

Scope

Inclusions

- Risk management products:
 - OTC market
 - PPAs
 - ASX exchange traded electricity derivations and options
 - Other mechanisms such as demand response and batteries
- Monitoring of OTC code of conduct
- Outcome of the ITP/RGM PIR

Exclusions

- The market for financial transmission rights.
- Spot market (was covered in the WMR)
- Retail market competition

The first phase of the project is information gathering, analysis, and producing a empirically

sound problem definition.

The Commerce Commission is providing technical input at project team level.

Our communications staff are working through public communications about the project.

We will approach independent retailers and gentailers for information once the project has been communicated.

From: John McCabe <s9(2)(a)>
Sent: Monday, November 6, 2023 2:02 PM
To: Paul Sullivan <s9(2)(a)>
Cc: James Goodchild <s9(2)(a)>; Doug Watt <s9(2)(a)>; Jo Goudie <s9(2)(a)>; Laetitia Leroy de Morel <s9(2)(a)>
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Hi Paul,

I've attached some questions we've pulled together ahead of our meeting tomorrow. I've included some questions to help inform our understanding, as well as outlining some current internal thinking.

This doc is being shared in confidence and does not represent government policy.

Cheers,
John

From: Paul Sullivan <s9(2)(a)>
Sent: Friday, 27 October 2023 4:46 pm
To: John McCabe <s9(2)(a)>
Cc: James Goodchild <s9(2)(a)>; Doug Watt <s9(2)(a)>; Jo Goudie <s9(2)(a)>; Laetitia Leroy de Morel <s9(2)(a)>
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Hello

Sounds good on the notes front; we'll corral jointly and write to one another by then.

Paul

From: John McCabe <s9(2)(a)>
Sent: Friday, October 27, 2023 2:03 PM
To: Paul Sullivan <s9(2)(a)>
Cc: James Goodchild <s9(2)(a)>; Doug Watt <s9(2)(a)>; Jo Goudie <s9(2)(a)>; Laetitia Leroy de Morel <s9(2)(a)>
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Thanks Paul. Good suggestion. Should we aim to swap notes before the end of next week?

From: Paul Sullivan s9(2)(a)
Sent: Friday, 27 October 2023 8:12 am
To: John McCabe s9(2)(a)
Cc: James Goodchild <s9(2)(a)>; Doug Watt s9(2)(a); Jo Goudie s9(2)(a); Laetitia Leroy de Morel s9(2)(a)
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Good morning John

We all seem free on our side on Tuesday 7 November from 2:30 – 3:15. So: please feel free to book that in for 45 minutes; I think all would benefit from a longer discussion.

I also think writing to one another prior to the meeting with some questions / points would be useful, too.

Paul

From: John McCabe s9(2)(a)
Sent: Thursday, October 26, 2023 12:58 PM
To: Paul Sullivan s9(2)(a) >
Cc: James Goodchild <s9(2)(a)>; Doug Watt <s9(2)(a)>; Jo Goudie s9(2)(a); Laetitia Leroy de Morel s9(2)(a) >
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Hi Paul,

Really good discussion today. Shame we ran out of time. Should we aim to put 45mins in for our next catch up? I've suggested some times below that suit from this end.

- Mon, 6 Nov: 12.00pm – 12.45pm
- Tue, 7 Nov: 2.30pm – 3.15pm
- Wed, 8 Nov: 11.00am – 11.45am

JMC

From: Paul Sullivan s9(2)(a)
Sent: Tuesday, 17 October 2023 12:53 pm
To: John McCabe s9(2)(a)
Cc: Jo Goudie s9(2)(a); James Goodchild s9(2)(a); Laetitia Leroy de Morel s9(2)(a); Andrew Millar s9(2)(a); Doug Watt s9(2)(a) >
Subject: RE: Wholesale market competition [IN-CONFIDENCE]

Good afternoon John

This is a very timely email from yourselves at MBIE; here at the Authority we are continuing to undertake our work in this space, whilst drawing it together under a fairly programme structure. We also recently met with the Commerce Commission around this.

I've copied in a couple of other colleagues to this reply – namely Andrew Millar (GM Market Policy), and Doug Watt (Manager Monitoring). It looks as though Thursday 26 October at 10:00-10:30 is the time that suits most of us well enough; if you send through an invite for then, we can put in a decent showing.

We look forward to discussing our work; and hearing progress on yours,

Paul

From: John McCabe <s9(2)(a)>
Sent: Tuesday, October 17, 2023 12:14 PM
To: Paul Sullivan <s9(2)(a)>
Cc: Jo Goudie <s9(2)(a)>; James Goodchild <s9(2)(a)>;
Laetitia Leroy de Morel <s9(2)(a)>
Subject: Wholesale market competition [IN-CONFIDENCE]

Hi Paul,

We met a few months back and discussed some issues [REDACTED] had raised regarding ITPs and access to contracts. Since then, MBIE has been progressing some work looking into this. I wanted to arrange a catch-up with the Authority to hear more about your work in this area as well as progress on the actions outlined in the wholesale market competition review. I've suggested some times below that would suit MBIE.

- Friday, 20 October: 10.00 – 10.30
- Tuesday, 24 October: 14.00 – 14.30
- Thursday, 26 October: 10.00 – 10.30

Cheers,
John

John McCabe

Team Leader, Electricity Markets Policy
Energy & Resource Markets Branch

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