

5 July 2021

Chris Abbott  
General Manager Regulatory Affairs & Government  
Contact Energy Limited

By Email

Dear Chris

**Requirement to provide information under section 46(2)(a) of the Electricity Industry Act 2010**

The Authority is requiring Contact Energy Limited (Contact) to provide information under section 46(2)(a) of the Electricity Industry Act 2010 (the Act).

**Authority's power to require information**

Under section 46(2)(a) of the Act, the Authority may require an industry participant to provide any information, papers, recordings, and documents that are in the possession, or under the control, of the participant for the purposes of carrying out the Authority's monitoring functions.

**Reasons for requirement**

As you know, the Authority is undertaking a review into competition in the wholesale market covering the period from the 2018 Pohokura outage to early 2021 (the Review). The Review is being undertaken under the Authority's monitoring function in section 16(1)(g) of the Act, which is:

*to undertake industry and market monitoring, and carry out and make publicly available reviews, studies, and inquiries into any matter relating to the electricity industry*

The 14 January 2021 Tiwai agreement between Meridian and NZAS had a large effect on expected spot market prices. Consequently, we are interested in this agreement as part of the Review. We understand that as part of that agreement, Contact agreed to supply Meridian with a 100MW CFD conditional on Meridian supplying NZAS ("Meridian/Contact CFD"). Therefore, we are also interested in the Meridian/Contact CFD as part of the Review.

Accordingly, the Authority now requires the information (specified below) about Contact's decision making around the Meridian/Contact CFD for the purpose of its section 16(1)(g) monitoring function. This information will assist the Review by helping the Authority to understand the competitive context of Contact's decision to enter the Meridian/Contact CFD.

**Information required to be provided**

In accordance with section 46 of the Act, the Authority requires that Contact make available all decision making documents (both Board and executive team), and supporting analysis, relating to the Meridian/Contact CFD, including any consideration of the impact of the deal on the forward and spot markets.

### **Response to requirement to provide information**

In all cases if it is not possible to provide all or any part of the above information (for example if the information does not exist), please contact us and clearly explain what part of the information you are unable to provide and what, if anything, you propose to provide instead. If we agree, then the Authority may allow you to provide only those parts of the requested information that it is practicable for you to provide.

The Authority requires you to provide the required information by 5pm on **16 July 2021**.

Please note that the Authority will only extend these deadlines in exceptional circumstances. If you wish to seek an extension of time, please apply for one in writing no later 5pm on 12 July 2021 and include your reasons for seeking the extension.

Please identify as part of your response any information that you consider to be confidential, including the reasons why you consider the information is confidential. The Authority will treat the information you provide to it as confidential and protect it from unintentional release. However, the Authority may need to share some or all the information Contact provides with the Minister of Energy and Resources and other government agencies, including for example the Treasury, the Commerce Commission and the Ministry of Business, Innovation and Employment. If the Authority needs to share Contact's information as described above, the Authority will notify you beforehand.

The Authority may be requested to release the information under the Official Information Act. The Authority needs to consider each request on a case by case basis. If the Authority receives a request and does not consider it is able to withhold the information, staff will consult with you before the Authority makes a final decision as to whether to release any of the information.

### **Compliance with requirement to provide information**

Failure to comply with this requirement to provide information under section 46 of the Act is treated as if it were a breach of the Electricity Industry Participation Code 2010. In the event of such failure to comply, the Authority may apply to the Rulings Panel for an order under section 54 of the Act.

### **Further information**

If you have any questions about this letter, please contact Doug Watt, Manager Market Monitoring at

S9(2)(a)

Regards



James Stevenson-Wallace