

From: Warwick Williams
To: James Stevenson-Wallace
Cc: S9(2)(a); S9(2)(a); S9(2)(a)
Subject: RE: Letter from EA to Genesis - Requirement to provide information under Section 46 of the Electricity Industry Act 2010
Date: Thursday, 22 April 2021 10:28:22 am
Attachments: [image001.jpg](#)
S9(2)(b) and S9(2)(ba)(i)

Dear James,

Further to the Authority's information request, please find attached a spreadsheet setting out water values for the Tekapo and Tongariro schemes for the period 1 October 2016 to 31 March 2021.

We note that:

- As mentioned to Doug, record keeping prior to 1 October 2016 was not in a centralised database and will take some time to collate. We trust that the information provided will however be sufficient for the Authority's purposes.
- The process of deriving water values takes inputs such as ASX prices, hydro storage levels, cost of carry, and assumptions around longer term uncertainty, overlaid against an approximated future generation programme (based on P50 inflows). It looks at where finite future generation would come from if additional generation volume was deployed "now" and what the associated water value is. This could, for example, be based off a future peak, off peak or baseload value. Such values can be used to consider if and when future generation volume could or should be used "now". The usefulness, or otherwise, of water values changes however at extremes of lake levels.
- Water values can be used as one input into Genesis Energy's offer decision-making. The use of water values has varied over time ranging between being prescriptive in nature to a theoretical value for information purposes.
- Genesis Energy does not employ water values for the Tongariro Scheme (TRO) because, for all intents and purposes, it is a run-of-river scheme.
- The information provided is confidential and commercially sensitive. It is provided on the understanding that it is subject to an obligation of confidence and we ask that:
 - the Authority treat it accordingly and not disclose the information to any third party;
 - the information is not used for any purpose other than for the specific purposes described in the Authority's letter dated 12 April 2021;
 - if the Authority receives a request under the Official Information Act 1982 that covers the information, or is otherwise considering disclosure of the information beyond the project team, then it first notifies Genesis and seeks our view before disclosure takes place.

If clarification is required on any of the information provided, please let us know and

we'll arrange a meeting with the relevant team.

Kind regards,
Warwick

From: S9(2)(a) **On Behalf Of** James Stevenson-Wallace
Sent: Monday, 12 April 2021 2:44 PM
To: Warwick Williams S9(2)(a)
Cc: Doug Watt S9(2)(a)
Subject: Letter from EA to Genesis - Requirement to provide information under Section 46 of the Electricity Industry Act 2010

Good afternoon Warwick,

On behalf of James Stevenson-Wallace please find letter attached re: Requirement to provide information under Section 46 of the Electricity Industry Act 2010.

Kind regards

S9(2)(a)



S9(2)(a)

Executive Assistant to the Chief Executive

Mobile: +S9(2)(a)

Electricity Authority - Te Mana Hiko

Level 7, Harbour Tower, 2 Hunter Street
PO Box 10041
Wellington 6143
New Zealand
www.ea.govt.nz

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