

From: Doug Watt
To: Mercury
Cc: S9(2)(a); S9(2)(a); S9(2)(a)
Subject: RE: Investment environment survey
Date: Wednesday, 7 July 2021 3:29:51 pm
Attachments: [image001.jpg](#)

OK, thanks S9(2)(a)

One of the ways that market power might be dissipated is that it attracts investment which then dissipates any gains from market power. This is the essence of workable competition. So we are asking potential investors with consented generation about the investment climate that they are facing. We hope to understand the incentives and risks that they are facing.

Doug

From: S9(2)(a)
Sent: Wednesday, 7 July 2021 3:24 pm
To: Doug Watt S9(2)(a)
Cc: S9(2)(a); S9(2)(a); S9(2)(a)
Subject: RE: Investment environment survey

Hi Doug, yes I was aware of that my question was rather why is consideration of factors affecting generation investment decisions relevant to competition in wholesale market? What is the analysis you're planning on doing and how is being used as part of this?

From: Doug Watt S9(2)(a)
Sent: Wednesday, 7 July 2021 1:22 PM
To: S9(2)(a)
Cc: S9(2)(a); S9(2)(a); S9(2)(a)
Subject: RE: Investment environment survey

Hi S9(2)(a)
Yes, this is part of the larger study of the spot market that we are doing.
Regards
Doug

From: S9(2)(a)
Sent: Wednesday, 7 July 2021 1:14 pm
To: Doug Watt S9(2)(a)
Subject: RE: Investment environment survey

Hi Doug – will revert today but can you explain how this is relevant to wholesale market competition?

From: Doug Watt S9(2)(a)

Sent: Thursday, 1 July 2021 10:47 AM

To: S9(2)(a); Phil Gibson S9(2)(a)

S9(2)(a)

Cc: S9(2)(a); S9(2)(a); S9(2)(a)

Subject: Investment environment survey

Hi S9(2)(a), Phil and S9(2)(a)

As you may be aware, the Authority is currently undertaking a review of competition in the wholesale market. As part of this review we would like to understand what factors are affecting investment decisions in new generation. S9(2)(a) from Concept Consulting will lead the discussions but there will also be Authority staff present. S9(2)(a) will have a few pre-prepared topics to help with the conversation, but we hope to keep it relatively informal.

Please let us know when you and/or others in your organisation are available. We have been given your name as a contact for this topic, but if you believe someone else in the organisation will be better placed for this discussion please let us know.

Either (Wellington ppl): We are happy to come to your premises, and would prefer a face-to-face meeting if possible (and assuming no covid outbreak).

Or: A zoom or teams meeting is preferable, but if that doesn't work for you we can travel to you for a face-to-face meeting.

All conversations will be treated as confidential if requested.

We look forward to talking to you.

Many thanks,

Doug

☐ **Doug Watt**
Manager Market Monitoring

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