

**From:** Sam Fleming  
**To:** EA  
**Cc:** Jason Woolley; Chris Ewers; S9(2)(a); S9(2)(a);  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian  
**Date:** Tuesday, 9 November 2021 5:33:17 pm  
**Attachments:** [image001.png](#)

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Hi S9(2)(a)

Please see below, by way of an agenda for tomorrow, a list of questions that we'd like to use as a starting point for the conversation with the Authority team. Thanks for passing this on to attendees at your end.

I can also confirm that I've passed on the covid health and safety messages to all Meridian attendees and as a result one of us (S9(2)(a)) will be dialling in rather than attending in person.

We look forward to seeing everyone tomorrow.

Ngā mihi

**Sam Fleming (he/him) – Manager Regulatory and Government Relations**

Meridian Energy Limited

Level 2, 55 Lady Elizabeth Lane

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M. S9(2)(a)



#### AGENDA

1. Can you please talk us through the next steps in the Authority's review process?
2. The Authority has identified Benmore ASX prices as the "opportunity cost" for Manapouri generation in the event of a smelter exit. The letter we wrote prior to publication of the review made some suggestions as to the nodal price differences between Southland (INV) and Benmore based on the FTR auctions immediately following the smelter termination announcement. The review paper seems to reject that objective market view of nodal price differences. What would be a reasonable nodal adjustment if not FTR prices? On what evidence do you base the assumption that unadjusted ASX Benmore prices are a realistic measure of our "opportunity cost"?
3. Pat Duignan and Concept Consulting in their peer reviews agree "the Authority's overall conclusion is that it did not find definitive evidence of an exercise of market power" and that "there was insufficient information to determine how much of this upward shift [in wholesale prices] was due to uncertainty about the gas market or whether some of it was from firms using that uncertainty to drive prices up by exercising market power." The Authority has shifted the burden of proof and seems to suggest there is no evidence

market power has not been exercised. What sort of evidence could generators usefully provide to prove the absence of an exercise of market power? Proving a negative would seem an extraordinarily difficult proposition.

4. How has the Authority taken into account storage outcomes and security of supply in its analysis? In the absence of a proper examination of counterfactual storage management outcomes, we doubt whether the Authority can conclude whether hydro offers are the exercise of market power or an attempt to prudently manage storage outcomes in the face of thermal fuel uncertainty. How does the Authority think a hydro generator should respond when thermal generation does not run at the expected or modelled price points? Should the hydro generator adjust its offers to prudently manage storage or run storage down more aggressively?
5. The lesson following the 2008 dry year was that hydro generators needed to be more risk averse in the way they manage storage. The Authority now seems to be suggesting we should have been less risk averse since 2018 and should have generated more aggressively – is that right?
6. We have commonly observed a lack of thermal fuel availability (or unwillingness to contract gas), rather than issues associated with gas prices. From what we can tell the Authority's analysis is based on thermal fuel prices. How has the Authority taken into account unoffered generation or lack of fuel in the calculation of its metrics?
7. How has the Authority calculated the \$200 impact on households and what assumptions have been made in terms of passthrough of wholesale volatility to retail?
8. The Authority says the gross pivotal measure is a red light. What (if anything) does the Authority think the gross pivotal supplier measure indicates, given that most generation volume is contracted and the generator has no incentive to exercise market power? In previous reviews the Authority has focused on net pivotal supplier situations, why is the Authority now only interested in the gross pivotal metric? How has it considered net pivotal in this analysis (if at all)?

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**From:** S9(2)(a)

**Sent:** Tuesday, 9 November 2021 9:50 am

**To:** Sam Fleming S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Sam

Just wondering if you have the agenda for tomorrow?

Regards

S9(2)(a)

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**From:** S9(2)(a)

**Sent:** Friday, 5 November 2021 3:25 pm

**To:** Sam Fleming S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Thanks Sam, much appreciated

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**From:** Sam Fleming S9(2)(a)

**Sent:** Friday, 5 November 2021 12:11 pm

**To:** S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi S9(2)(a)

In addition those on the invite, other potential Meridian attendees are S9(2)(a), S9(2)(a), and S9(2)(a). I have forwarded them the invite.

I'll let you know next week if there are any changes to Meridian attendees.

Ngā mihi

**Sam Fleming (he/him) – Manager Regulatory and Government Relations**

Meridian Energy Limited

Level 2, 55 Lady Elizabeth Lane

PO Box 10840, Wellington 6143, New Zealand

M. S9(2)(a)



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**From:** S9(2)(a)

**Sent:** Thursday, 4 November 2021 9:05 pm

**To:** Sam Fleming S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Sam

Wasn't too sure who would be attending from Meridian, so have just sent invite to those copied in on the email.

Could you please confirm, as I will need to pre-register all attendees

Thanks

S9(2)(a)

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**From:** Sam Fleming S9(2)(a)

**Sent:** Thursday, 4 November 2021 5:55 pm

**To:** S9(2)(a); Andy Doube

S9(2)(a)

**Cc:** S9(2)(a) Evealyn Whittington

S9(2)(a); S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi S9(2)(a)

Thanks for setting this up. Confirming that time works for our team. We will come to the Authority offices at 2pm on Wednesday 10 November.

Will you send a meeting invite?

Ngā mihi

**Sam Fleming (he/him) – Manager Regulatory and Government Relations**

Meridian Energy Limited

Level 2, 55 Lady Elizabeth Lane

PO Box 10840, Wellington 6143, New Zealand

M. S9(2)(a)



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**From:** S9(2)(a)

**Sent:** Thursday, 4 November 2021 1:02 pm

**To:** Jason Woolley S9(2)(a); Andy Doube

S9(2)(a)

**Cc:** S9(2)(a); Sam Fleming S9(2)(a);

S9(2)(a); S9(2)(a)

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Good afternoon Jason,

Thank you for your email. Happy to set this meeting up and we have time set aside next Wednesday 10<sup>th</sup> November from 2pm, we would be happy to host the meeting here. If you could confirm whether this will work for your team, that would be great.

Regards

S9(2)(a)

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**From:** Jason Woolley S9(2)(a)

**Sent:** Thursday, 4 November 2021 11:50 am

**To:** Andy Doube S9(2)(a)  
**Cc:** S9(2)(a) S9(2)(a)  
S9(2)(a); S9(2)(a)  
S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Andy

Further to the Directors and CEs meeting yesterday we would be grateful for a meeting with respective technical staff. It would probably be led by Chris Ewers (GM Wholesale) at our end and we would rope in a couple of our team with wholesale market analysis expertise. From your end we were thinking it would be you, Doug, S9(2)(a) and any others you are keen to have there. Sam will send you a draft agenda and confirm a time to meet but we would like a couple of hours between Weds and Fri (inclusive) next week if possible. Please can you let us know and suggest some times. We are happy to come to you and / or hold it here and / or do via Teams.

Cheers

Jason

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**From:** Andy Doube S9(2)(a)  
**Sent:** Wednesday, 3 November 2021 10:48 am  
**To:** Jason Woolley S9(2)(a)  
**Cc:** S9(2)(a) S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Sure can – sounds ideal thanks Jason

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**From:** Jason Woolley S9(2)(a)  
**Sent:** Wednesday, 3 November 2021 10:43 am  
**To:** Andy Doube S9(2)(a)  
**Cc:** S9(2)(a) S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Andy

I just called. Is the below ok?

Cheers

Jason

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**From:** Jason Woolley  
**Sent:** Wednesday, 3 November 2021 8:19 am  
**To:** 'Andy Doube' S9(2)(a)  
**Cc:** S9(2)(a); S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Andy

Have managed to chat Neal. We had understood you wanted to do most of the talking. If that's not the case and particularly if you guys don't want to go into detail we would like to just make it Chairs, Board Members and CEs for the meeting today. So I think it would just be Nicki, James and Mark S from your end and Mark V, Neal and Julia from our end. Everyone else can stand down. Grateful if you could confirm.

J

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**From:** Jason Woolley  
**Sent:** Tuesday, 2 November 2021 4:43 pm  
**To:** Andy Doube S9(2)(a)  
**Cc:** S9(2)(a); S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Andy

Thanks. I tried to call you back. From our discussion last week we were expecting the EA to do a fair bit of talking on the topics I had indicated below. I will share with our CE and Chair your suggestion below instead.

Regards

Jason

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**From:** Andy Doube S9(2)(a)  
**Sent:** Tuesday, 2 November 2021 4:19 pm  
**To:** Jason Woolley S9(2)(a)  
**Cc:** S9(2)(a); S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Jason

I want to stress this is your meeting, rather than ours. That is, I think it more appropriate for Meridian to chair and steer the meeting, and for us to follow your lead as its consultation. We don't really see it as a chance to 'lecture' or present to Meridian on the contents of the report (ie we're in listening mode). As part of the discussion though we'll be able to explain the policy issues and concerns.

In saying that, this will be the first of no doubt a series of engagements on both papers. I think maybe to avoid the risk that analysts drag Chairs/CEs down into the detail it would be helpful at this first meeting to frame CE/Chair discussion in a way that makes sure we preserve relationships as we work through this. There are no doubt going to be areas of disagreement and I think it useful to acknowledge that and discuss the approach we can take to promote useful dialogue. That will help staff and management then having the granular discussions that are outlined 2-4 below. A successful meeting from my perspective is an agreement or commitment from the Chairs/CEs on how we work over the coming consultation period.

Thanks Andy

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**From:** Jason Woolley S9(2)(a)  
**Sent:** Tuesday, 2 November 2021 12:03 pm  
**To:** Andy Doube S9(2)(a)  
**Cc:** S9(2)(a)  
**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Hi Andy

Would you be able to send us a draft agenda for tomorrow that I can circulate to our attendees? Things might have moved on but based on our brief discussion last week I understood you were contemplating something like:

1. Introductions
2. EA to talk to public policy concerns in respect of the NZAS contract.
3. EA to talk to page 8 onwards of the main Review paper ([here](#)) which is where the traffic light analysis starts. EA's future work programme and what the EA would want to see before some of those traffic lights could change from orange or red to green.
4. EA to talk to certain aspects of the Meridian Board papers we had provided to the EA.
5. Any other business

In relation to point 4 and as discussed last week, it might be helpful for you to send through details of any parts of the Board papers you want to talk to so that the Meridian team can refresh our memories on those.

Regards

Jason

**Jason Woolley (he/him) – General Counsel**

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DDI: +[S9(2)(a)] M. [S9(2)(a)]



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**From:** Jason Woolley

**Sent:** Tuesday, 2 November 2021 11:46 am

**To:** [S9(2)(a)] Andy Doube [S9(2)(a)]

**Subject:** RE: [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Thanks [S9(2)(a)].

J

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**From:** [S9(2)(a)]

**Sent:** Tuesday, 2 November 2021 9:42 am

**To:** Jason Woolley [S9(2)(a)]; Andy Doube

[S9(2)(a)]

**Subject:** [EXTERNAL] RE: Meeting on Wednesday at 4.15pm at Meridian

Good morning Jason,

Apologies for the delay in getting back to you.

At this stage, the following people will be attending in person:

- James Stevenson-Wallace (Chief Executive)
- Nicki Crauford (Authority Board Chair)
- Andrew Doube (General Manager, Market Policy)
- S9(2)(a) (Consultant)
- S9(2)(a) (Policy Advisor)

At this stage, the following people will be attending via Teams/online:

- Doug Watt (Manager, Market Monitoring)
- S9(2)(a) (Senior Economist)
- Mark Sandelin (Authority Board member)
- S9(2)(a) – TBC (Senior Economist)

Regards

S9(2)(a)

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**From:** Jason Woolley S9(2)(a)

**Sent:** Monday, 1 November 2021 12:01 pm

**To:** Andy Doube S9(2)(a); S9(2)(a)

**Subject:** Meeting on Wednesday at 4.15pm at Meridian

Hi Andy and S9(2)(a)

Re the meeting on Wednesday I would be grateful if you could confirm who from the Electricity Authority is coming and of those people who will be attending on Teams and who will be attending in person. At this stage I am anticipating Meridian will have at the meeting:

- Mark Verbiest, Chair
- Julia Hoare, Chair of Audit and Risk Committee
- Neal Barclay, CE
- Me
- Sam Fleming, Manager Regulatory Affairs
- Chris Ewers, GM Wholesale
- S9(2)(a), Industry Advisor

Regards

Jason

**Jason Woolley (he/him) – General Counsel**

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