

5 August 2021

Jason Woolley  
General Counsel  
Meridian Energy Limited

By Email: S9(2)(a)

Attention: Jason Woolly, Sam Fleming

Dear Jason

**REQUIREMENT TO PROVIDE INFORMATION UNDER SECTION 46(2)(a) OF THE  
ELECTRICITY INDUSTRY ACT 2010**

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

Part of reviewing the performance and competitiveness of the spot market is to understand the profits of Generator-Retailers. To this end Meridian has already provided specific financial data pursuant to the Authority's section 46 request dated 25 June 2021. From that information and the publicly available data the Authority can see that Meridian has made profits from forward contracts and from expanding its retail book. The Authority is aware of the 'Swaption' Agreement between Meridian and Genesis and would like to see how instrumental that agreement is in these profits. This agreement will help inform the Review as to the sources of the changes to profits of Meridian and thereby provide an indicator of the performance of the spot market during the relevant period.

**Information required to be provided**

The Authority therefore requires that Meridian make available the 'Swaption Agreement' with Genesis and quarterly receipts and payments under the swaption from 1 July 2015 to 30 June 2021.

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

Please ensure the required information is provided by 5pm, 11 August 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 6 August and include your reasons for seeking the extension.

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 Doug Watt (contact details below), 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.

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 Meridian 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 proposes to share Meridian's information as described above, the Authority will communicate and engage with 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.

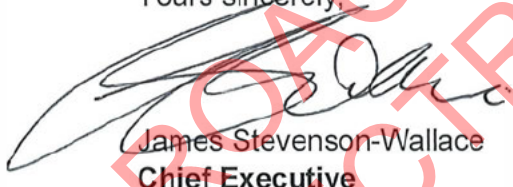
### **Compliance with requirements to provide information**

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 any 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) [REDACTED]

Yours sincerely,



James Stevenson-Wallace  
Chief Executive