

19 December 2024

s9(2)(a)

Tēnā koe

Your request

Thank you for your request, received on 25 October 2024, under the Official Information Act 1982 (the Act) for the following information:

a. *Records and details of all correspondence, including phone calls, messages, emails and letters exchanged between the Electricity Authority and:*

- *Genesis Energy*
- *Office of the Minister of Energy*
- *MBIE*

regarding membership of the flexibility product technical and/or governance advisory groups.

Unfortunately, our system had picked your request up as spam and we did not discover your request until 2 December 2024. Please accept our apologies for the delay in responding to your request.

On 4 December 2024 the Authority attempted to contact you to clarify the scope, as we have not received clarification from you, we have interpreted your request as for:

a. *Records and details of all correspondence, including phone calls, messages, emails and letters exchanged between the Electricity Authority and:*

- *Genesis Energy*
- *Office of the Minister of Energy*
- *MBIE*

Regarding the flexibility product technical advisory group.

If you are interested in information regarding other advisory groups, please specify which groups you are interested in, and we will respond to this request separately as soon as reasonably practical. Details of the groups are available on our website here: [Our advisory and technical groups | Electricity Authority](#).

Our response

The Authority has identified 11 documents within scope of your request. Some information has been redacted under section 9(2)(a) to protect the privacy of natural persons.

Two documents have been withheld under section 9(2)(a) to protect the privacy of natural persons.

The Authority informed the Minister for Energy of the flexibility product technical advisory group via the fortnightly report to the Minister for Energy on 16 August 2024. This document is publicly available on our website here:

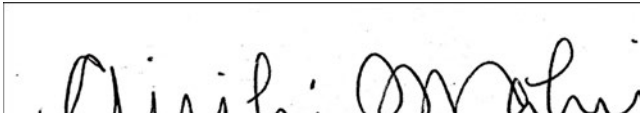
[Fortnightly report for the Minister for Energy 16 August 2024.pdf](#)

I am satisfied, in terms of section 9(1) of the Act, that the need to withhold the information referred to above is not outweighed by other considerations that render it desirable, in the public interest, to make the information available.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact us by emailing oia@ea.govt.nz.

Nāku noa, nā,

A handwritten signature in black ink, appearing to read 'Airihi Mahuika', is written over a horizontal line.

Airihi Mahuika

GM Legal, Monitoring and Compliance

From: [Malcolm Johns](#)
To: [Sarah Gillies](#)
Cc: [s9\(2\)\(a\)](#) [Matt Ritchie](#)
Subject: Standardised flexibility products group
Date: Friday, 27 September 2024 2:07:13 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[Lt_SGillies_flexgroup.pdf](#)

Kia ora Sarah,

Please find **attached** a letter regarding the Electricity Authority's Standardised Flexibility Products Co-design Group.

Ngā mihi,
Malcolm



Malcolm Johns, Chief Executive
[Genesis Energy Ltd](#) | Level 6, 155 Fanshawe Street, Auckland CBD 1010



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31 October 2024

Malcolm Johns
Chief Executive Officer
Genesis Energy

s9(2)(a)

Tēnā koe Malcolm

Re: Standardised Flexibility Products Co-design Group (Co-design Group) membership

This letter is a follow up to our recent correspondence on the membership of the Standardised Flexibility Product Co-design Group that the Authority has established to lead the development of standardised flexibility products.

My letter of 9 October 2024 outlined the Authority's evaluation process to determine the co-design group's membership. In that letter, I outlined the process by which the Authority selected the participants for the co-design group.

Having further considered your letter of recommendation, the Authority and the Chair of the Electricity Authority Advisory Group (EAAG) determined that there was an opportunity to bolster the membership of the EAAG subgroup that is providing expert peer review to the Authority on the Standardised Flexibility Product project.

The Chair of EAAG, Jamie Silk, considered that this opportunity, specifically relating to a significant fuel type and industry participant, would be best addressed by inviting Craig Schubauer to participate in the EAAG subgroup. On 16 October, Jamie invited Craig to attend the subgroup meetings with full discussion rights for the purposes of supporting the work to develop the standardised flexibility product.

This invitation recognises Craig's personal involvement in delivering the Huntly Firming Options as well as his knowledge of energy trading more broadly. His perspective will be highly valuable and an important addition to the work of the sub-group. I am pleased to hear that Craig has accepted this invitation and attended the sub-group meeting on 23 October. I appreciate Genesis' engagement in this important work and your commitment to supporting the process for the benefit of the wider electricity industry and consumers.

Naki noa, nā

A handwritten signature in black ink, appearing to read 'SGM', with a horizontal line extending to the right.

Sarah Gilles

Chief Executive

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From: [Sarah Gillies](#)
To: s9(2)(a)
Cc: [Jo Goudie](#)
Subject: Letter from CE to Craig Schubauer 2024 09 19
Date: Friday, 20 September 2024 1:57:49 pm
Attachments: [Letter from CE to Craig Schubauer nomination for SFPCD 2024 09 19.pdf](#)
[image001.png](#)
[image002.png](#)
[image003.gif](#)
[image004.jpg](#)

Kia ora Craig,

On behalf of Sarah Gillies, please find letter attached regarding the Standardised Flexibility Products Co-Design Group.

Ngā mihi
Aileen

Aileen Gallagher
Executive Assistant to the Chief Executive

s9(2)(a)



Level 7, AON Centre, 1 Willis Street
PO Box 10041, Wellington 6143, New Zealand
www.ea.govt.nz



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From: Matt Ritchie <s9(2)(a)>
Sent: 30 August 2024 10:54 AM
To: Info Electricity Authority <Info.ElectricityAuthority@ea.govt.nz>
Cc: Craig Schubauer <s9(2)(a)>
Subject: FW: EA Technical Working Group - Flexibility Products

Kia ora,

On behalf of Genesis Energy Chief Executive Malcolm Johns, please find **attached** a nomination for Genesis Trading Strategist Craig Schubauer to join the technical group to co-design standardised flexibility contracts.

Craig has agreed to be nominated, per the email below.

We understand the group's membership will be finalised by 16 September. Please don't hesitate to contact me if you require any further information in the meantime.

Best,
Matt



Matt Ritchie | GM Government Relations and Regulatory Affairs |
Genesis Energy Ltd

s9(2)(a)

From: Craig Schubauer <s9(2)(a)>
Sent: Friday, 30 August 2024 8:36 am
To: Matt Ritchie <s9(2)(a)>
Cc: Tim Dobbs <s9(2)(a)>
Subject: RE: EA Technical Working Group - Flexibility Products

Hi Matt:

I am happy to participate.

Please find attached the completed the application. Let me know any changes/clarity you think could be useful.

My CV is also attached.

Thanks

Craig

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Genesis Energy Limited
Level 6
155 Fanshawe Street
PO Box 90477
Victoria St West
Auckland 1142
New Zealand

s9(2)(a)

27 September 2024

Sarah Gillies
Chief Executive
Electricity Authority
AON Centre
1 Willis Street
WELLINGTON 6011

By email: s9(2)(a)

CC: s9(2)(a)

Dear Sarah,

I am writing to query the decision not to include Genesis Energy Trading Strategist Craig Schubauer on the Electricity Authority's technical group established to develop standardised flexibility products, communicated to Craig on 20 September.

It is my understanding that this group is being established in line with recommendations from the Market Development Advisory Group, following its work on pricing in a high renewables electricity system. Evidently this initiative is being progressed under the auspices of the Energy Competition Task Force formed in response to high wholesale pricing this winter.

We understand that the rationale for developing standardised flexibility products is primarily improving the risk management options available to wholesale electricity purchasers and improving transparency around future prices.

The Authority has also stated that it is working on regulated products as a backstop if standardised products developed by the group do not achieve the desired results.

Genesis' experience of flexibility is unique in New Zealand

As you are aware, Genesis Energy has considerable experience in commercially and operationally managing flexible generation to match demand. Genesis' assets include slow- and fast-start thermal plant at Huntly Power Station capable of running today on natural gas

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(including LNG if available), coal, biomass, and diesel (and, we expect, further additional fuels in future through existing or new assets).

Our portfolio includes both run-of-river and dispatchable stored hydro, and wind generation. We are currently building a 63 MWp solar farm at Lauriston in North Canterbury, which will be the largest in New Zealand when it is commissioned at the end of this year. This plant will supply our commercial customer Spark via a firm Power Purchase Agreement.

This portfolio is managed to support our own contract position across residential and commercial / industrial consumers, and trade in the market where it is commercially sensible to do so.

Over the past two years Genesis has developed and sold novel flexibility contracts in the form of Market Security Options (**MSO**) and Huntly Firming Options (**HFO**). Our HFO offer, which concluded in August 2024, was oversubscribed which we are confident is an indication that the design of the product is well-matched to the flexibility requirements of wholesale market purchasers. As promised, we are now developing the next iteration of firming products which we intend to provide even more flexibility, a longer duration, and options for less complex contractual structures attracting a broader range of counter parties.

Craig was closely involved in developing HFOs and in negotiations with bidders, and has deep experience at Genesis and over a 16-year career trading in the New Zealand electricity market. I have every confidence Craig's experience would bring considerable value to the work of the Standardised Flexibility Contracts Technical Group.

Products must work for buyers and sellers

While it appears that the primary motivation for developing standardised flexibility products is to provide more risk-management options for wholesale market purchasers, they will fail to meet this objective unless sellers are able to confidently offer the contracts at prices that meet purchasers' needs.

Genesis has first hand knowledge of this dynamic acquired through the process of developing MSOs and HFOs. It is surprising that this knowledge was not considered sufficiently valuable to the group to warrant Craig's inclusion.

Similarly, Genesis' portfolio is capable of physically backing flexibility solutions that no other asset mix in New Zealand can. We consider that a perspective supported by knowledge of how this portfolio can operate would have considerable value to the work of the technical group.

If products developed by the group are to be traded to a level that is useful to the market and its participants, we consider that it is critical that any standardised contracts enjoy the support of a broad range of participants. Exclusion of a key flexibility provider like Genesis would appear to run counter to this desired outcome.

Rationale for participant selection

For the reasons set out above, it is puzzling that Craig has not been selected to participate in the group. Reviewing the composition, it would seem there is a strong case for his inclusion in preference to some of the participants who have been selected.

I accept that it may be the case that there is a compelling reason that Craig's nomination was unsuccessful. However, there was little context provided in how the rejection of his application was communicated. Furthermore, upon reviewing the composition of the group it is not obvious how the perspective he could offer will be replicated.

We understand you were seeking diverse sectoral representation across a small group, and that it is important that the work is progressed at pace. This stands to reason. But in our view these factors do not preclude Craig's inclusion.

Furthermore, given the group's work will be reviewed by the Electricity Authority Advisory Group, it is unusual that there is duplication between the members of the two groups when Genesis was excluded.

I would be grateful if the Authority could provide some explanation and context for why the successful participants were selected in preference to others. I'm sure you understand that our confidence in the group's work and appetite to consider trading the products it develops will be influenced by our assessment of the robustness of the appointment process.

I look forward to hearing from you.

Yours faithfully



Malcolm Johns
Chief Executive Officer

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19 September 2024

Craig Schubauer
Trading Strategist
Genesis

By email: s9(2)(a)

Dear Craig,

Your nomination for the Standardised Flexibility Products Co-design Group

Thank you for expressing interest and providing your nomination to be part of the Standardised Flexibility Products Co-design Group (Co-design Group).

Unfortunately, your nomination has not been successful on this occasion, however, we appreciate you putting yourself forward for this role and would encourage you to consider future opportunities to be involved in Authority led industry working groups.

We were fortunate to be able to choose from a number of high-calibre nominees from across the electricity industry. The Authority sought members with diverse backgrounds and expertise to ensure the standardised flexibility product is developed with as many interests as possible in mind.

While I realise you may be disappointed with this outcome, we would like to keep your nomination in the event of a vacancy arising on the Co-design Group.

I would like to thank you again for your interest in this important work and your time providing your nomination to us.

Yours sincerely,



Sarah Gillies

Chief Executive

9 October 2024

Malcolm Johns
Chief Executive Officer

s9(2)(a)

Kia ora Malcolm

Re: Standardised Flexibility Products Co-design Group (Co-design Group) membership

Thank you for writing to express Genesis Energy's disappointment that Craig Schubauer was not appointed as a member of the Co-design Group that has been established by the Authority to develop standardised flexibility products.

We acknowledge the important role that Genesis' portfolio plays in physically backing flexible solutions. We also recognise Craig's significant experience through his career of trading in the New Zealand Electricity market, developing flexibility products and negotiating with bidders for the Huntly Firing Options. His combination of skills and background makes him well qualified to be a member of an Authority technical working group.

In terms of the composition of the Standardised Flexibility Co-design Group, our aim was to achieve a representative mix of buyers, sellers and others who can bring a wide set of perspectives, operational and technical expertise to the design of standardised flexibility products.

We considered six to eight members was appropriate to provide this mix while allowing the Co-design Group to move at pace. The Authority received eighteen nominations and through the evaluation process selected the maximum of eight members for the Co-design Group. Given the size of the group, this meant making difficult decisions on who would not be appointed even if they were otherwise well qualified to be a part of this group.

In the final assessment, the Authority sought confirmation the group was sufficiently diverse with representation from entities with significant hydro storage, gas generation as well as competitors in the supply of flexibility such as batteries, demand side response, and alternative green fuels. The constraints of balancing a diverse composition with a smaller sized group required us to make difficult choices that do not reflect at all on the calibre of the nominated individuals or organisations.

You raised a concern around duplication in the composition of the Electricity Authority Advisory Group (EAAG) and the Co-design Group. The work of the Co-design Group will be overseen by a sub-group of members of EAAG. The membership of the EAAG sub-group does not include any duplication of members or organisations represented in the Co-design Group. This will ensure that it provides additional oversight and assurance around the process and the work.

We hope Genesis Energy's willingness and appetite to trade in the product(s) will reflect the opportunity and liquidity that will flow from the standardised product.

We recognise that there is strong interest in this work, and we intend to keep market participants and other key stakeholders informed of progress as we go. Although Craig was not appointed to the Co-design Group, the Authority recognises his experience and the perspectives that he would bring to the development of standardised flexibility products.

We recognise that there is strong interest in this work, and we will keep market participants and other key stakeholders informed of progress as we go.

I trust this explanation of the evaluation and appointment process of the Co-design Group, and the governance arrangements that have been established, will address the concerns you have raised around the selection of participants on the group.

Ngā mihi,



Sarah Gillies

Chief Executive

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From: Matt Ritchie <s9(2)(a)>
Sent: 29 August 2024 9:06 AM
To: Info Electricity Authority <Info.ElectricityAuthority@ea.govt.nz>
Subject: RE: Technical Group - Flexibility Products

Excellent, thank you Sam.

Naturally we are happy to provide any biographical information necessary to support our application.

Thanks,
Matt

From: Info Electricity Authority <Info.ElectricityAuthority@ea.govt.nz>
Sent: Thursday, 29 August 2024 8:53 am
To: Matt Ritchie <s9(2)(a)>
Subject: RE: Technical Group - Flexibility Products

CAUTION: This email originated from outside of the organization. Do not click links or open

attachments unless you recognize the sender and know the content is safe.

Kia ora Matt

Thanks for your nomination for the technical group, confirming we have received it. The team will get in touch with more info and let you know about the leave situation with Tim and if it will be an issue.

Cheers

Sam Hales

Advisor – Communications & Engagement



Level 7, AON Centre, 1 Willis Street
PO Box 10041, Wellington 6143, New Zealand

www.ea.govt.nz



From: Matt Ritchie <s9(2)(a)>
Sent: Thursday, August 29, 2024 8:49 AM
To: Info Electricity Authority <Info.ElectricityAuthority@ea.govt.nz>
Subject: Technical Group - Flexibility Products

Kia ora,

Genesis Energy is eager to be involved with the technical group working to co-design standardised flexibility contracts referenced here: <https://www.ea.govt.nz/news/general-news/call-for-experts-to-develop-standardised-flexibility-contracts-for-wholesale-market/>.

We would like to put forward our Group Manager – Trading Tim Dobbs to join the group. However, Tim is on leave for three weeks from the start of October. If that is likely to be a problem with respect to the timelines for the project, we can put forward Trading Strategist Craig Schubauer.

Both Tim and Craig have extensive experience in trading energy products, and across other industries, and would offer valuable perspectives. Please let me know how best to proceed with making our nomination.

Thanks,
Matt



Matt Ritchie | GM Government Relations and Regulatory Affairs |

Genesis Energy Ltd

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From: [Andrew Millar](#)
To: [Matt Ritchie](#)
Subject: RE: Catch-up?
Date: Monday, 14 October 2024 2:44:00 pm
Attachments: [image001.png](#)
[image002.png](#)

Hi Matt,

I just wanted to send a message to say thank you again for the time on Friday. I appreciated the conversation, and we're reflecting on it internally.

We'll keep in touch.

Thanks

Andrew

Andrew Millar
General Manager Market Policy

M: +64 21 969 856

From: Matt Ritchie <s9(2)(a)>
Sent: Wednesday, 2 October 2024 8:35 am
To: Andrew Millar <s9(2)(a)>
Subject: RE: Catch-up?

Hi Andrew,

Sounds great. I'm in town all week. Friday afternoon is completely clear so let me know when works best for you and we can lock it in.

Matt

From: Andrew Millar <s9(2)(a)>
Sent: Wednesday, 2 October 2024 8:29 am
To: Matt Ritchie <s9(2)(a)>
Subject: Catch-up?

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Matt,

Just wondering if you have time for a quick catch-up next week? Maybe Wednesday afternoon, Thursday morning, or Friday afternoon?

Noting specific but I thought a general catch up would be good.

Thanks

Andrew

Andrew Millar (he/him)
General Manager Market Policy

s9(2)(a)



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Re: Technical Group - Flexibility Products

Mia Kingsley-Smith <s9(2)(a)>

Thu 29/08/2024 3:41 PM

To: Matt Ritchie <s9(2)(a)>

Cc: Jo Goudie <s9(2)(a)>

Lisa Rautenbach <s9(2)(a)>

Sam Hales <s9(2)(a)>

📎 1 attachments (106 KB)

Standardised Flex working group_nomination_form.docx;

Kia ora Matt,

Thank you for expressing interest in participating in the development of standardised flexibility products.

As Tim will be on leave in October, we think putting forward Craig would be best.

Format of technical co-design

In keeping with [MDAG's recommendation](#), we'll be working with representatives from the sector to develop these products between October to December 2024. Trading of the products is anticipated to commence early 2025.

We'll be using co-design workshops in an online format. Five bi-weekly workshops in total, starting in the first week of October.

Expectation of participants

It is expected that the members of this group can provide technical expertise in hedging and advise the Authority on workability issues.

Members will need to work constructively with representatives of other parts of the industry to develop a workable standardised flexibility contract for both buyers and sellers.

It is essential that the group is focused on delivering products that provide hedge cover for flexibility and have broad appeal to both buyers and sellers to facilitate the commencement of trading

Next step

Following your expression of interest, please complete a nomination form (attached) and provide this back to us no later than 30 August. All nominations will be assessed and members of the group will be finalised by 16 September.

Ngā mihi,

Mia Kingsley-Smith ([she/her](#))

Coordinator

Wholesale Market Policy

Mon-Fri 8:30 - 2:30pm

Email: <s9(2)(a)>



Level 7, AON Centre, 1 Willis Street

PO Box 10041, Wellington 6143, New Zealand

www.ea.govt.nz



From: Matt Ritchie <s9(2)(a)>
Sent: 29 August 2024 8:48 AM
To: Info Electricity Authority <Info.ElectricityAuthority@ea.govt.nz>
Subject: Technical Group - Flexibility Products

Kia ora,

Genesis Energy is eager to be involved with the technical group working to co-design standardised flexibility contracts referenced here: <https://www.ea.govt.nz/news/general-news/call-for-experts-to-develop-standardised-flexibility-contracts-for-wholesale-market/>.

We would like to put forward our Group Manager – Trading Tim Dobbs to join the group. However, Tim is on leave for three weeks from the start of October. If that is likely to be a problem with respect to the timelines for the project, we can put forward Trading Strategist Craig Schubauer.

Both Tim and Craig have extensive experience in trading energy products, and across other industries, and would offer valuable perspectives. Please let me know how best to proceed with making our nomination.

Thanks,
Matt



Matt Ritchie | GM Government Relations and Regulatory Affairs |

Genesis Energy Ltd

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Phone call - 20 September 2024 (time not recorded)

Matt Ritchie (GM Government Relations and Regulatory Affairs, Genesis) to Jo Goudie (Principal Analyst – Policy, Electricity Authority)

Matt Ritchie expressed disappointment that Craig Schubauer’s nomination for the flexibility product technical advisory group was not successful, and they are likely to write a letter/email to that effect.

Text message – 14 October 2024

Between Sarah Gillies (Chief Executive, Electricity Authority) (Blue) to Malcolm Johns (Chief Executive, Genesis) (Grey).



Text messages - 16 October 2024

Between Andrew Millar (GM – Market Policy, Electricity Authority) (Blue) to Matt Ritchie (GM Government Relations and Regulatory Affairs, Genesis) (Grey).

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Wed, 16 Oct at 3:45 PM

Hi Matt. Nice to see you last night.
You free for a quick call at 4 pm?

Sure thing, call whenever works.

Great. Will do.

Wed, 16 Oct at 5:48 PM

Email has gone to Craig

Got that, thanks again.

Phone call – 16 October 2024 (4:10pm)

Andrew Millar (GM – Market Policy, Electricity Authority) to Matt Ritchie (GM Government Relations and Regulatory Affairs, Genesis)

Andrew Millar called Matt Ritchie to tell him what the Authority was proposing with Craig Schubauer as part of the standardised flex group.

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