**Appendix E Format for submissions**

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| Submitter |  |

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| Questions | Comments |
| **Problem definition — competition concerns from Gentailer vertical integration** | |
| Q1. What are the benefits of vertical integration between generation and retail? Do you have any evidence to better specify and quantify these benefits? In particular, we are interested in benefits that would be realised by New Zealand’s electricity consumers. |  |
| Q2. Do you agree with our description of the competition concerns that can arise from the combination of Gentailer vertical integration and market power? Why/why not? Do you have any evidence to better specify and quantify the competition risks of vertical integration? |  |
| Q3. To what extent does vertical integration of smaller gentailers, such as Nova and Pulse, raise competition concerns? Should these smaller gentailers be subject to any proposed Level Playing Field measures? |  |
| Q4. Are there other specific areas (other than access to hedges) where Gentailer market power and vertical integration are causing competition concerns? |  |
| Q5. Do you agree with our preliminary view that the evidence indicates there may be good reasons to introduce a proportionate Level Playing Field measure to address the competition risks in relation to hedging/firming? Why/why not? |  |
| **Level Playing Field options we have identified** | |
| Q6. Have we focused on the right Level Playing Field options? Are there other options that we should add or remove to the list in paragraph 4.1? |  |
| Q7. Are there any other important factors we should consider when identifying options (see paragraphs 4.2 to 4.5)? |  |
| Q8. Are there other key features, pros or cons we should consider in our description of the four Level Playing Field options? |  |
| **Our assessment of Level Playing Field options** | |
| Q9. Have we identified the right criteria for assessing Level Playing Field options (Figure 6)? Is there anything we should add or remove? |  |
| Q10. Do you agree with our application of the assessment criteria (Table 5)? Are changes needed to the colour coding or reasoning? |  |
| Q11. Are there any other material benefits or risks that should be considered (but are currently not) in our assessment of options? |  |
| Q12. Do you agree with our selection of non-discrimination obligations as our preferred Level Playing Field measure? Why/why not? |  |
| **Roadmap for implementing non-discrimination obligations** | |
| Q13. What are your views on our proposed roadmap for the implementation of non-discrimination obligations? |  |
| Q14. Which products should any non-discrimination obligations apply to? Should all hedge contracts be captured, or should the rules be focused on super-peak hedges only? Are there are other interactions between Gentailers and their competitors which would benefit from non-discrimination rules? |  |
| Q15. Do you have any feedback on the indicative draft non-discrimination principles (and guidance) set out in Appendix B? Without limiting your feedback, we would be particularly interested in your views on the following questions:  a. Have we got the level of detail/prescription right? For example, do you consider that the principles and guidance will lead to economically meaningful Gentailer ITPs being put in place? What would be the costs and benefits of instead applying a more prescriptive ITP methodology?  b. How far should the allowance in the principles for different treatment where there is a “cost-based, objectively justifiable reason” extend? Do you agree with the guidance that this allowance should not be extended to volume (at paragraph 13 of Appendix B)? |  |
| Q16. Do you agree that escalation options are needed if principles-based non-discrimination obligations are implemented initially? Why/why not? |  |
| Q17. Are prescribed non-discrimination requirements and mandatory trading of Gentailer hedges via a common platform suitable escalations given the liquidity, competitive pricing and even-handedness outcomes we are seeking? Why/why not? What alternatives would you suggest (if any)? |  |
| Q18. What costs and benefits are likely to be involved in setting more prescriptive regulatory accounting rules which detail how ITPs should be calculated? What would be appropriate triggers for introducing more prescriptive requirements for ITPs? |  |
| Q19. Do you have any views on how the non-discrimination requirements should best be implemented to ensure that Gentailers are no longer able to allocate uncontracted hedge volumes to their own retail function in preference to third parties? What are the key issues and trade-offs? |  |
| Q20. Do you have any views on the triggers for implementing the stronger regulation proposed in our roadmap? |  |
| **Our current thinking on virtual disaggregation** | |
| Q21. Does our proposed approach to implementing non-discrimination obligations (as set out in the roadmap in Figure 7) sufficiently address the underlying issue that originally led to MDAG recommending virtual disaggregation? |  |
| Q22. Do you have any views on whether virtual disaggregation provides a useful response to the competition risks we have identified (relative to the proposed roadmap) and, if it does, how it should be best applied? |  |