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Lisa DuFall  
Electricity Commission  
PO Box 10041  
Wellington

Dear Lisa

## **Re: Reducing the delay for publishing bids and offers**

Any initiative to reduce the delay in publishing bids and offers needs to be considered against the principle that data should be published unless there are good reasons for not doing so and any impact that early publication may have on commercial positions.

### **Publication of data**

In our submission on the discussion paper "Improving Electricity Market Performance – Volume 1" (August 2009), we stated:

*"We support the requirement for free and open access to all real (or close to real) time market and physical system data."*

This statement applies to the publication of bid and offer information.

The release of information closer to real time would help to promote:

- efficiency
- reliability
- fairness
- environmental sustainability
- security.

These outcomes are more likely to be achieved if parties are better informed and information asymmetries are reduced. (Currently generators have greater access to data than purchasers, which gives generators a market advantage and makes it more difficult to develop demand-side initiatives.) Transpower (including the system operator) considers that, making the data visible earlier would create opportunities to utilise generator resources more effectively and improve the management of demand; both of which would contribute to system security.

There is a clear expectation expressed in the explanatory notes to the Electricity Industry Bill that this initiative should proceed within the next 12 months. Transpower supports the proposal to implement the changes needed to reduce the delay in the publication of bids and offers and believes that this could be implemented much sooner than the 12 month timeframe suggested.

**Possible consequences for competitive behaviour**

Although there appears to be industry consensus in support of the prompt release of information, two of the submissions quoted by the consultation paper refer to historical concerns about earlier release of this information. It was suggested that close to real time release of bid and offer data might result in a greater degree of collusion and anti-competitive behaviour.

As noted in the Commerce Commission decision 474, experience from Australia indicates that other sources of information already allow market participants to extract components of bids, identify competitors' cost and contract structures and any uncontracted blocks of energy. The Commerce Commission identified that similar information, available within hours of real time, already exists in the New Zealand market. Consequently, if the availability of information of this sort has any anti-competitive effect, it is already present, and disclosing bids and offers closer to real time would not change the situation.

In summary, Transpower supports the proposal to release bid and offer data 24 hours after the relevant trading day.

Yours sincerely



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