

The New Zealand Electricity Authority is inviting international market makers to provide services to the New Zealand electricity futures market

The New Zealand Electricity Authority has a services contract opportunity for providers of market making services to support the New Zealand wholesale electricity futures market.

The Authority is inviting organisations interested in providing market making services to give feedback on its proposed commercial market making scheme through a Request for Information (RFI). Respondents' feedback will be considered as we set up a commercial scheme that efficiently meets the needs of New Zealand electricity consumers.

The NZ electricity futures market is hosted on the Australian Securities Exchange (ASX). This market is currently supported by market making services provided by New Zealand's four largest electricity generator-retailers: Contact Energy Limited, Genesis Energy Limited, Mercury NZ Limited and Meridian Energy Limited.

Commercial providers will be paid a fee for providing market making services. The fee will be determined via a competitive tender later in 2021.

The RFI is published on GETS.govt.nz the New Zealand Government's procurement portal and is open until 5pm 12 March 2021.

After the close of the RFI, the Authority will develop the final scheme design. The Authority will then initiate a formal procurement process, by seeking Registrations of Interest (ROI) from interested parties, compile a shortlist of suppliers and seek proposals through a Request for Proposal (RFP). For more information on the stages of the procurement process, please see the Authority [website](#).

To contact the Authority or to register to receive an invitation to the upcoming workshops on the topic, please email commercialmarketmaking@ea.govt.nz.

About the New Zealand Electricity Authority

The Electricity Authority regulates the NZ electricity market. Its statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. The Authority is an Independent Crown Entity and is accountable to Parliament and has oversight provided by the Minister of Energy and Resources.

The Authority:

- develops, administers and enforces the Electricity Industry Participation Code (the Code), which is a set of rules that govern nearly every aspect of NZ's electricity industry including generation, transmission, system operation, security of supply, market arrangements, metering, distribution and retail;
- supports the development of the industry through education, guidelines, information and model arrangements;
- monitors the industry and makes information available through the [Electricity Market Information \(EMI\)](#) website; and
- contracts service providers to operate the electricity market and system as set out in the Code.

The procurement timeline

The ROI stage will openly invite an initial bid from potential participants, including those that responded to the RFI. The ROI will not be restricted to parties that participated in the RFI stage. The ROI will see the Authority select a shortlist of participants that will be invited to the final RFP stage.

Shortlisted parties from the ROI stage will be invited to submit a final binding bid. In addition to the final price of the service, parties will need to demonstrate their integrity and capability in providing market making services.

The Authority intends to work towards the following procurement timelines:

- March 2021; RFI close and consideration of information;
- Q3 2021; ROI open (6 weeks), parties invited to shortlist;
- Q4 2021; RFP open (6 weeks); and
- Q1 2022; selection of commercial providers, commencement of commercial market making.