



# **Market Operations Monthly Service Provider Report**

**January 2007**

This report details monthly information in relation to the information system, clearing manager and pricing manager functions performed by M-co under contract to the Electricity Governance Board.

## Table of Contents

---

<b>Table of Contents .....</b>	<b>0</b>
<b>1. Introduction .....</b>	<b>0</b>
1.1 Purpose.....	0
1.2 Contact Details.....	0
<b>2. Core Reporting .....</b>	<b>4</b>
2.1 Compliance with Regulations and Rules .....	4
2.2 Operation of the Regulations and Rules .....	4
2.3 Compliance with Service Provider Agreements .....	4
2.4 Rule Change Costs.....	4
2.5 Compliance with Agreed Performance Standards .....	4
<b>3. Additional Information .....</b>	<b>4</b>
3.1 Information System Manager (COMIT).....	4
3.1.1 COMIT Statistics .....	4
3.1.2 Outage Summary .....	4
3.1.3 Rule Change Implementations .....	4
3.1.4 Material System Changes .....	4
3.2 Clearing Manager .....	4
3.2.1 Security Monitoring.....	4
3.2.2 Invoicing and Settlement.....	4
3.2.3 Ancillary Services .....	4
3.2.4 Constrained on.....	4
3.2.5 Constrained off .....	4
3.2.6 Must Run Dispatch Auction.....	4
3.2.7 System Development.....	4
3.3 Pricing Manager.....	4
3.3.1 Price Commentary .....	4
3.3.2 Monthly Average Reference Price Summary.....	4
3.3.3 Daily Average Reference Price Graph.....	4
3.3.4 Daily Average Reference Price Deviation from Haywards .....	4
3.3.5 Daily Average Haywards Price Comparison .....	4
3.3.6 Haywards 13 Month Daily Average Price Comparison .....	4

## 1. Introduction

---

### 1.1 Purpose

This report details monthly information in relation to the information system, clearing manager and pricing manager functions performed by M-co under contract to the Electricity Governance Board.

This report has been prepared in accordance with sections 44 and 45 of the Electricity Governance Regulations 2003 and contains the core reporting requirements plus additional market information that will be of interest to the Board.

### 1.2 Contact Details

The following is a list of contact details for further information or questions pertaining to this report:

#### General Queries

Shane Dinnan, General Manager Market Operations	+64 4 498 0052
Dan Lee, Chief Information Officer	+64 4 498 0046

#### COMIT Market Information System

Greig Robertson, Market Information Systems Manager	+64 4 498 0045
---	----------------

#### Clearing & Settlement

Shelley Nixon, Clearing & Settlements Manager	+64 4 498 0054
---	----------------

#### Pricing

Ashley Milkop, Pricing Analyst	+64 4 498 0028
--------------------------------	----------------

## 2. Core Reporting

---

### 2.1 Compliance with Regulations and Rules

To the best of our knowledge the information system, and clearing manager service providers have complied with their obligations under the regulations and rules during January 2007.

### 2.2 Operation of the Regulations and Rules

The information system, clearing manager and pricing manager service providers have not during January 2007 identified any areas where, in their view, a change to the regulations or rules may need to be considered.

### 2.3 Compliance with Service Provider Agreements

To the best of our knowledge the information system, clearing manager and pricing manager service providers have complied with their obligations under their respective service provider agreements during January 2007.

### 2.4 Rule Change Costs

In accordance with the requirements of the respective service provider agreements, the following costs have been incurred since 1 March 2004 in relation to implementing rule changes:

Service Provider	Rule Change Details	Cost (inc GST)
Information system	HVDC Component Flows and Risk Offsets (rule change no. 19)	\$29,250.00
Clearing Manager	Voltage support "nominated kvars" (rule change no. 7)	\$11,398.50
Clearing Manager	Under frequency event charge (rule change no. 30)	\$8,484.37

## 2.5 Compliance with Agreed Performance Standards

### Information System Manager (COMIT)

Measure	Achieved This Month	Standard
COMIT availability	<b>100%</b>	99.72%
COMIT 6-month availability	<b>99.99%</b>	99.72%
COMIT file upload availability	<b>100%</b>	99.72%
Average time to publish PDS	3mins 49sec	7mins
Average time to publish dispatch prices	23secs	1min
Average time to publish provisional/final prices	19secs	1min 30secs

The target level of 99.72% relates to the equivalent of no more than two hours of outages per calendar month. Core functionality denotes all the systems and facilities necessary to fulfil the information system requirements of the EGRs as part of the Information System Service Provider Agreement.

### Clearing Manager

Measure	Achieved This Month	Standard
Wash-up notifications distributed to parties by 5th business day of each month	Yes	92%
Invoices released by 6pm on 9th business day	Yes	92%
Constrained on/off amounts released to System Operator by 9am on 8th business day	Yes	92%
Amounts payable to payees sent through to the bank by 5:30pm on settlement day	Yes	92%
Number of invoice calculation errors	0	0%
Number of security level calculation errors	0	0%

The target level of 92% relates to the equivalent of no more than one instance of missing the deadline within a twelve-month period. The zero percent standards indicate that the Board expects there to be no calculation errors, in either invoices or the establishment of security levels.

## Pricing Manager

Measure	Achieved This Month	Standard
Final prices published by 9:30am if no provisional price situation exists	100%	97%
Provisional prices published by 10:30am if provisional price situation exists	100%	97%
Final prices published within 3 hours of a System Operator/Grid Owner fix to a provisional price situation	100%	97%
IT processing time to publish final prices within 5 minutes of sending	100%	97%
Number of price processing errors	0%	0%

The target level of 97% relates to the equivalent of no more than one instance of missing a listed deadline within a calendar month. The zero percent standard indicates that the Board expects there to be no errors caused by the pricing manager in the calculation of prices.

### 3. Additional Information

---

#### 3.1 Information System Manager (COMIT)

##### 3.1.1 COMIT Statistics

---

The following are key statistics for COMIT for the month of January 2007:

Measure	Result	Target	Comments
Core Planned	0	-	No outages
Core Unplanned	0	-	No outages
Named user licenses allocated	106	120	Not including Electricity Commission, Transpower or M-co users, but belonging to Active Trader companies
Active trader companies allocated	14	10	

Core functionality denotes all the systems and facilities necessary to fulfil the information system requirements of the EGRs as part of the Information System Service Provider Agreement.

##### 3.1.2 Outage Summary

---

There were no planned or unplanned outages affecting the core COMIT system during the month.

##### 3.1.3 Rule Change Implementations

---

There was no rule change work carried out during the month.

##### 3.1.4 Material System Changes

---

The material changes and new COMIT functionality will be reported separately.



### 3.2 Clearing Manager

#### 3.2.1 Security Monitoring

At the end of January 2007 the clearing manager held security of \$80,336,715 with the total payers' projected exposure to 27<sup>th</sup> of February 2007 estimated at \$35,926,531.

There were 1 call for security and one reduction for security in January.

#### 3.2.2 Invoicing and Settlement

Invoicing and settlement for the December 2006 billing period was completed on January 23<sup>rd</sup>:

**Amounts Received**

Received from Payers \$102,048,049

**Amounts Paid**

Paid to Payees \$99,680,070  
 Loss and Constraint Excess \$2,367,975

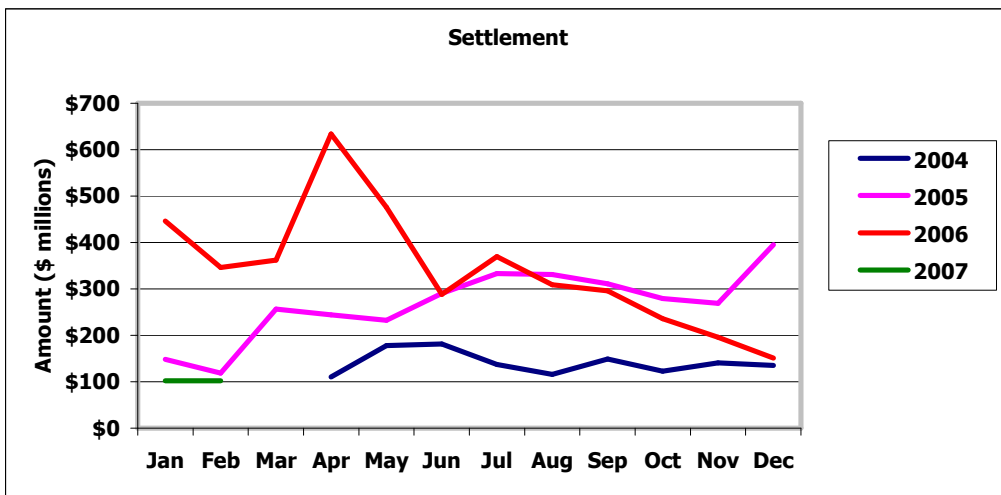
**Total settlement (1 April 04 to 31 January 07):**

**Amounts Received**

Received from Payers \$8,962,714,613

**Amounts Paid**

Paid to Payees \$8,475,204,789  
 Loss and Constraint Excess \$217,460,735



### 3.2.3 Ancillary Services

---

Payments to Ancillary Services Agents in January 2007 for the December 2006 billing period totalled \$5,893,519.67. That amount was made up of the following:

Type	Amount
Black Start	\$36,112.50
Over-frequency Reserve	\$57,206.25
Frequency Keeping	\$4,240,542.94
Instantaneous Reserve	\$1,162,362.09
Voltage Support	\$397,295.89

### 3.2.4 Constrained on

---

Total constrained on amounts calculated in January 2007 for the December 2006 billing period were \$2,012,598. Of that, \$977,406 (net of amounts attributable to the system operator) was paid to generators by the clearing manager on the December 2006 invoices issued in January.

### 3.2.5 Constrained off

---

Total constrained off amounts calculated in January 2007 for the December 2006 billing period was \$336,237. Constrained on/off calculations that are attributable to the system operator are advised to the system operator for inclusion in the frequency keeping calculations however there is **no direct financial settlement** for constrained off under the EGRs.

### 3.2.6 Must Run Dispatch Auction

---

There were bids into the must run dispatch auction every day during the month of January 2007.

### 3.2.7 System Development

---

There were no software changes made to CHASM during January 2007.

### 3.3 Pricing Manager

#### 3.3.1 Price Commentary

Average prices in January were higher compared to December. The average price at HAY2201 during January 2006 was \$25.45/MWh compared to \$20.41/MWh in December.

HVDC flows were exclusively in a northwards direction.

Hydro lake levels remained steady over the month, despite lower than average inflows.

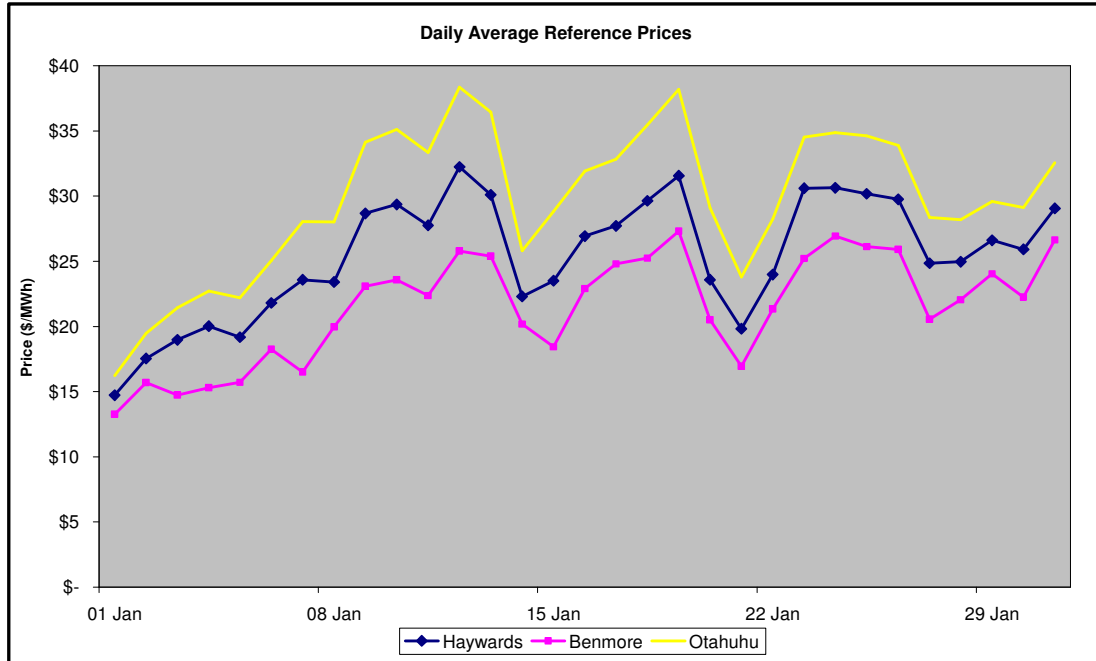
#### 3.3.2 Monthly Average Reference Price Summary

<b>Haywards (HAY2201)</b>	<b>Forecast</b>	<b>Dispatch</b>	<b>Final</b>
Average Price:	\$ 28.66	\$ 26.18	\$ 25.45
Highest Price:	\$ 77.60	\$ 47.73	\$ 42.45
Lowest Price:	\$ 11.03	\$ 10.46	\$ 10.46
Half Hours > \$100:	-	-	-
Average Weekday (excl stats):	\$ 29.75	\$ 27.76	\$ 26.94
Average Weekend (incl stats):	\$ 26.36	\$ 22.87	\$ 22.33
<b>Benmore (BEN2201)</b>	<b>Forecast</b>	<b>Dispatch</b>	<b>Final</b>
Average Price:	\$ 23.64	\$ 22.09	\$ 21.52
Highest Price:	\$ 53.31	\$ 36.64	\$ 34.10
Lowest Price:	\$ 10.09	\$ 10.01	\$ 10.00
Half Hours > \$100:	-	-	-
Average Weekday (excl stats):	\$ 24.58	\$ 23.31	\$ 22.75
Average Weekend (incl stats):	\$ 21.65	\$ 19.52	\$ 18.93
<b>Otahuhu (OTA2201)</b>		<b>Dispatch</b>	<b>Final</b>
Average Price:		\$ 30.53	\$ 29.70
Highest Price:		\$ 52.75	\$ 48.83
Lowest Price:		\$ 11.32	\$ 11.26
Half Hours > \$100:		-	-
Average Weekday (excl stats):		\$ 32.39	\$ 31.43
Average Weekend (incl stats):		\$ 26.63	\$ 26.05

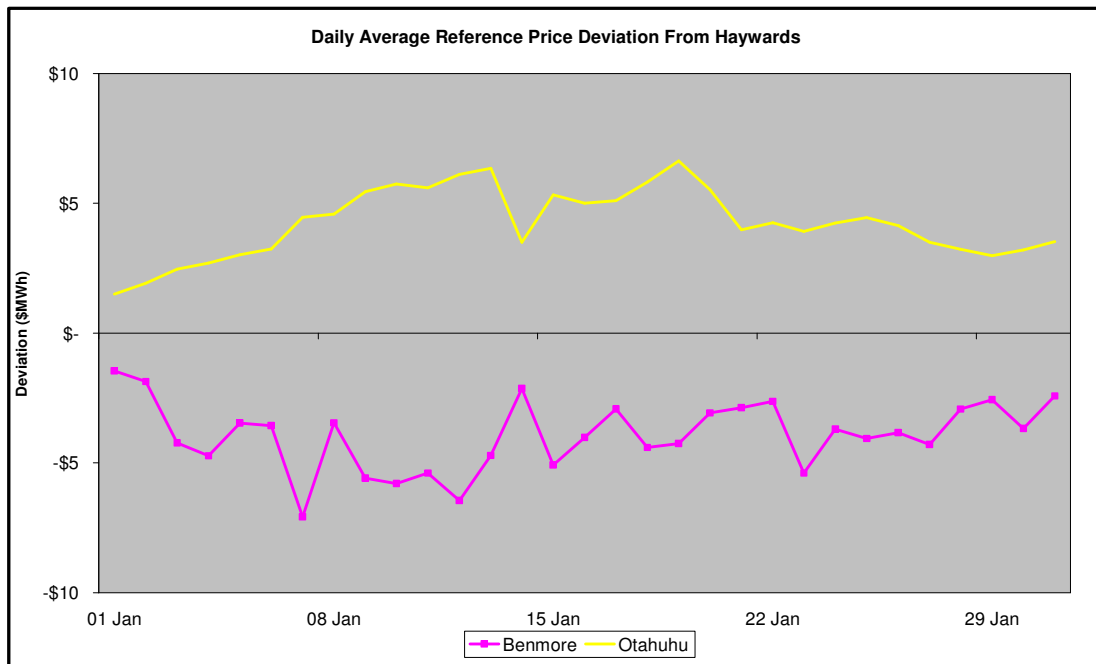
Note: Forecast prices for Otahuhu are not published



### 3.3.3 Daily Average Reference Price Graph

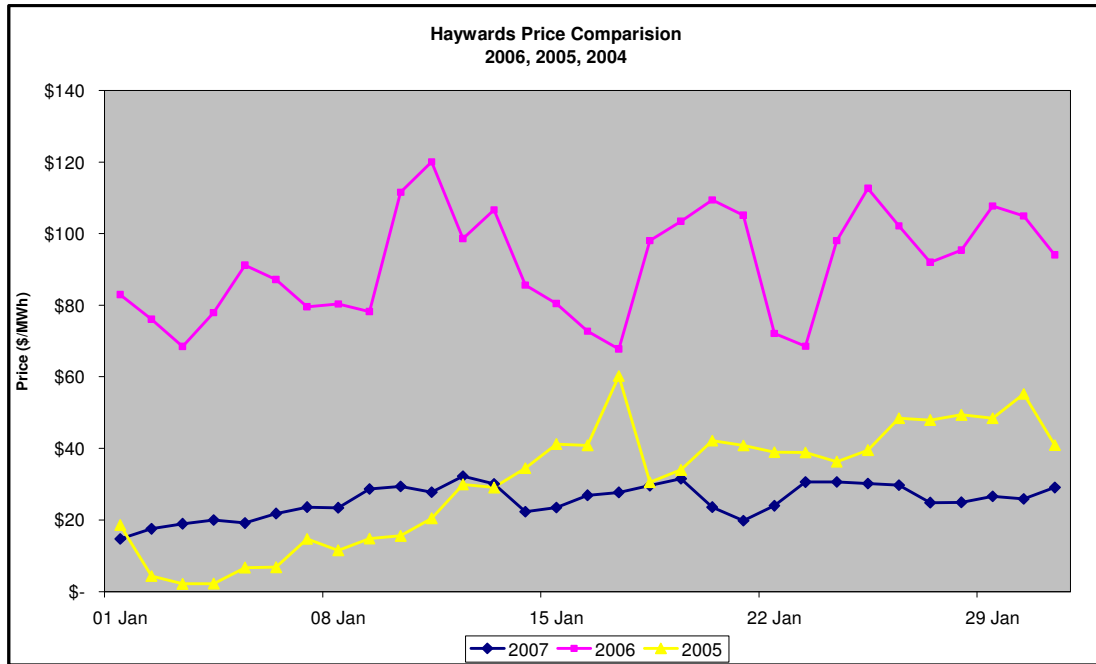


### 3.3.4 Daily Average Reference Price Deviation from Haywards





### 3.3.5 Daily Average Haywards Price Comparison



### 3.3.6 Haywards 13 Month Daily Average Price Comparison

