



28 March 2008

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Dear Maree

Disclosure of Contract Information – Update Paper

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide comments to the Electricity Commission on its paper entitled 'Update Report on the Disclosure of Risk Management Contract Information Proposal' (the 'Update Report'). Genesis Energy also appreciates the willingness of the Electricity Commission to accept this as a late submission.

Further to our submission on the Electricity Commission's consultation paper dated 25 September 2007, Genesis Energy has two outstanding areas of concern when it comes to the Update Report.

First, Genesis Energy remains of the view that contracts transacted through EnergyHedge should be excluded from the disclosure obligations for the reason that EnergyHedge already provides full transparency. By including these contracts, EnergyHedge participants will face additional compliance risks as well as costs associated with the submission and verification of trades information for no clear additional net public benefit. In addition, Genesis Energy sees this proposal as a potential barrier for further development of liquidity and new entrants to the EnergyHedge market because of the additional compliance requirements and associated transaction costs.

Second, Genesis Energy considers that the end of June 2008 is an unrealistic timeframe for the proposed rules to come into force. In Genesis Energy's view, this timeframe would leave insufficient time to adequately develop the systems and processes that would be required to provide the quality of information the rules require and for the proposal to be effective. Pursuit of such an unrealistic timeframe serves only to place the objective of the proposal at risk and Genesis Energy's support of it is conditional on the Electricity Commission giving serious reconsideration to

the timing of its implementation. As an alternative, Genesis Energy proposes a three month extension (to the end of September 2008) or, as another approach, a three month compliance grace period (again to the end of September 2008) to allow for all parties involved to trial the system while receiving (in part) the benefits.

If you would like to discuss any of these matters further, please contact me on 04 495 6357.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Carnegie'.

John A Carnegie
Regulatory Affairs Manager
Genesis Energy