



## EVENT BRIEFING

### Meeting with Lead Reviewer for Government's Review of Electricity Market Performance

<b>Date:</b>	11 March 2025	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	BRIEFING-REQ-0010866

Action sought		
	Action sought	Deadline
Hon Simon Watts <b>Minister for Energy</b>	<b>Note</b> the contents of this briefing, to support your meeting with Frontier Economics on 13 March 2025 at 10:00am [TBC]	13 March 2025
Hon Shane Jones <b>Minister for Resources</b>		13 March 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Sharon Corbett	Policy Director, Energy Markets	Privacy of natural persons	✓
Victoria Coad	Principal Policy Advisor		

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



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### Purpose

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To provide background information for the meeting you have requested with Frontier Economics, Lead Reviewer for the Review of electricity market performance, on 13 March 2025 at 10:00am [TBC]. The Frontier review team members you are meeting with are based in Melbourne and will meet with you online.

### Recommendations

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The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** the contents of this briefing, to support your meeting with Frontier Economics, Lead Reviewer engaged to undertake the Review of electricity market performance.

*Noted*

Sharon Corbett  
**Policy Director, Energy Markets**  
Building, Resources, and Markets, MBIE

11 / 03 / 2025

Hon Simon Watts  
**Minister for Energy**

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Hon Shane Jones  
**Minister for Resources**

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## Meeting purpose and logistics

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<b>Date:</b>	13 March 2025 [TBC]	<b>Time:</b>	10:00am to 10:30am [TBC]
<b>Location:</b>	Online		
<b>Attendees:</b>	Danny Price, Project Director, Frontier Economics Scott Stacey, Project Manager, Frontier Economics Attendee biographies are included at <b>Annex One</b> .		

1. Frontier Economics (Frontier) have been engaged as Lead Reviewer for the Government review of electricity market performance (the Review). Frontier were selected following an open and competitive procurement process. The Review Terms of Reference are included at Annex Two.
2. You met with Frontier on 28 January at the start of the Review [BRIEFING-REQ-0008167 refers], to brief Frontier on aspects of the Review including why it was initiated, your expectations, and any specific areas of focus or concern.
3. This is one of two further meetings planned with Frontier. The purpose of these two meetings is for Frontier to share the problems they are identifying, before you receive Frontier's Draft Report with their findings to date and draft recommendations on 28 March 2025.

## About Frontier Economics

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4. Frontier are an internationally respected energy market specialist, founded in Australia in 1999. They have broad experience to draw on and are familiar with the New Zealand electricity market. For this Review, Frontier have assembled an international consortium of experts including Frontier's Australian and European branches, and London Economics International.
5. You are meeting with Danny Price and Scott Stacey from Frontier's Melbourne office. Brief biographies are included at Annex One.

## Suggested topics for discussion in your meetings with Frontier

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6. We understand that Frontier are now 'honing in' on the key problems to be addressed, and are starting to explore potential measures to recommend in their Draft Report.
7. These meetings provide an opportunity for Frontier to outline where they are heading and to check this aligns with your expectations.
8. We suggest that the first meeting on 13 March focusses on security of supply and wholesale market competition issues. Frontier will outline the problems they have identified in these areas and their preliminary views on priority matters to address. The discussion provides an opportunity for you to give guidance to Frontier, and to raise any particular areas of focus or concern.
9. We suggest your next meeting with Frontier, expected to be held in the week commencing 25 March, could then focus on the remaining topic areas they have identified.

## Status of the Review process

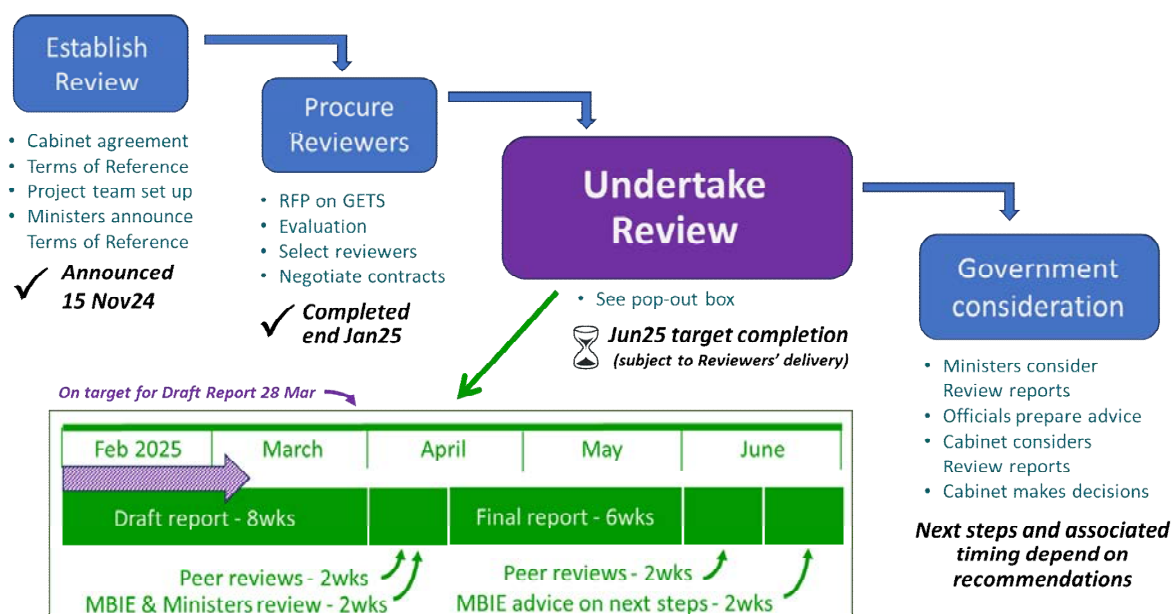
### Overview

10. Following Cabinet decisions, the Minister for Energy and the Minister for Resources initiated a review of the performance of electricity markets (Review) to ensure they are fit-for-purpose [ECO-24-MIN-0245 refers]. The Review is to advise on the impact of market structure, market design, and market rules on electricity market performance, and on options to improve market performance in terms of the Government's objectives. The Review is to look at whether current regulations and market design support economic growth and access to reliable and affordable electricity.
11. Frontier Economics were engaged as Lead Reviewer in January 2025, along with two Peer Reviewers and the New Zealand Expert. MBIE is providing support to the Review team, and keeping Ministers updated with progress, but is not part of the Review.

### Timetable and key milestones

12. Ministers set a very tight timetable for the Review, seeking a draft report part-way through the Review process, and then receipt of the final reports by the end of June. This pace of work is necessary to enable timely decision-making by Ministers and Cabinet. The Review phases and target timelines to meet Ministers' requirements are shown in Figure 1 below.

**Figure 1: Overview of the Review process and target timelines**



### Frontier work undertaken to date for the Review

13. Frontier's work to date includes:
  - participating in a series of workshops with the New Zealand Expert (Concept Consulting) to ensure the Frontier have a good understanding of relevant New Zealand-specific matters
  - assembling and considering key documents, publications and reports of relevance to the Terms of Reference

- holding a series of discussions with targeted stakeholders to gather perspectives on the current state of the market, future challenges, and options to address those challenges
  - perspectives included gentailers, regulators, consumers, major users, independent retailers, independent generation, the gas sector, system operation, transmission and distribution
  - topics covered included security of supply, generation investment, barriers to entry, hedging arrangements, transmission grid, distribution network, gas supply, distributed energy resources, institutional arrangements and co-ordination
  - meeting with the Energy Competition Task Force to discuss the work the Task Force is undertaking of relevance to the Review, and considering Task Force publications
  - analysing key quantitative information on the New Zealand electricity market, including wholesale and retail data
  - drawing on the expertise of Frontier’s international team including economists across their European and Asian offices, and colleagues from the USA.
14. Frontier advise us that they are on track to provide Ministers with the Draft Report on Friday 28 March.



## **Annexes**

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Annex One: Attendee biographies

Annex Two: Terms of Reference for the Review

## Annex One: Attendee biographies

	<p><b>Danny Price, Project Director, Frontier Economics</b></p> <p>Danny Price is the cofounder and Managing Director of Frontier Economics Pty Ltd. Danny has 30 years of experience in advising governments, regulators and private firms on energy market design, energy reform and implementation, regulation, power trading and hedging, and asset sales and acquisitions. He has advised energy related clients in Australia and other countries.</p> <p>Danny has detailed knowledge of the design and operation of energy markets, built up over 30 years of consulting to the energy industry in Australia and internationally; a unique combination of detailed analytical skills with an understanding of the constraints imposed by the broader commercial, regulatory and policy environment in which clients operate; and an ability to provide frank and independent advice to clients.</p> <p>Danny has worked closely with the NSW, South Australian, Queensland, Western Australia and Tasmanian Governments designing and implementing their electricity reforms, the Australian Energy Market Commission (AEMC), the Australian Competition and Consumer Commission (ACCC), the Australian Energy Regulator (AER), and most State regulators. He has advised most major electricity and gas businesses in Australia on commercial, regulatory and competition matters, and many multi-national energy companies.</p> <p>Prior to founding Frontier Economics in 1999, Danny was Managing Director of London Economics. Prior to being a consultant, Danny was a Principal Economist at the NSW Electricity Commission. In this role he was heavily involved in the design of the Australian National Electricity Market rules.</p>
	<p><b>Scott Stacey, Project Manager, Frontier Economics</b></p> <p>Scott brings over 20 years of expertise in analysing economic and regulatory issues in the utilities and infrastructure sectors. Scott specialises in regulatory design, competition analysis in infrastructure markets, and energy sector analysis.</p> <p>Scott has been involved in many of the key regulatory policy debates that have taken place in Australia over recent years. In particular, those that have focused on regulatory design in the electricity sector. He had a lead role in the development of the rules for the economic regulation of transmission networks and was involved in formulating the corresponding rules for distribution businesses.</p> <p>Recently he has been involved two matters focused on generator market power. One of these in the National Electricity Market's energy-only market, the other in the Western Australian capacity market. He has also recently undertaken several engagements for Australian regulators on the future of hedge contracting for electricity generators and retailers.</p>

**Annex Two: Terms of Reference for the Review**

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