



EVENT BRIEFING

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

Date:	27 March 2025	Priority:	High
Security classification:	Sensitive	Tracking number:	BRIEFING-REQ-0011613

Action sought		
	Action sought	Deadline
Hon Simon Watts Minister for Energy	Note the contents of this briefing, to support your meeting with Frontier Economics on 31 March 2025 at 2:00pm	31 March 2025
Hon Shane Jones Minister for Resources		31 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☐ Withdrawn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

To provide background information for your meeting with Frontier Economics, Lead Reviewer for the Review of electricity market performance, on 31 March 2025 at 2:00pm.

Recommendations

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 for the Review of electricity market performance, to present and discuss their Draft Report.

Noted

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

27 / 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

Date:	31 March 2025	Time:	2:00pm to 3:00pm
Location:	Hon Jones' Office		
Attendees:	Danny Price, Project Director, Frontier Economics Scott Stacey, Project Manager, Frontier Economics Attendee biographies are included at Annex One .		

1. Frontier Economics (Frontier) have been engaged as Lead Reviewer for Government's Review of electricity market performance (the Review). Terms of Reference are included at **Annex Two**. Frontier were selected through an open and competitive procurement process.
2. Minister Watts 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, expectations, and any specific areas of focus or concern. You both met with Frontier on 13 March [BRIEFING-REQ-0010866 refers] for Frontier to share the problems they are identifying, in preparation for you receiving Frontier's Draft Report with their findings to date and draft recommendations.

About Frontier Economics

3. Frontier are internationally respected energy market specialists. For this Review, Frontier have assembled an international consortium of experts including Frontier's Australian and European branches, and London Economics International.
4. You are meeting with Danny Price and Scott Stacey from Frontier's Melbourne office.

Frontier's Draft Report is due 28 March, in advance of this meeting

5. Under the Terms of Reference, Frontier must provide MBIE and Ministers an opportunity to comment on a Draft Report, which is due at 5pm Friday 28 March. We will forward the Draft Report to your Offices once received, so that you will have it in advance of this meeting.
6. This meeting provides an opportunity for Frontier to present to you the key findings and draft recommendations, and for you to raise any questions or preliminary comments you may have.
7. Following the meeting, we can work with you and your Offices to collate any further feedback for Frontier as input to their work on the Final Report due late May 2025.

Frontier process to develop the Draft Report

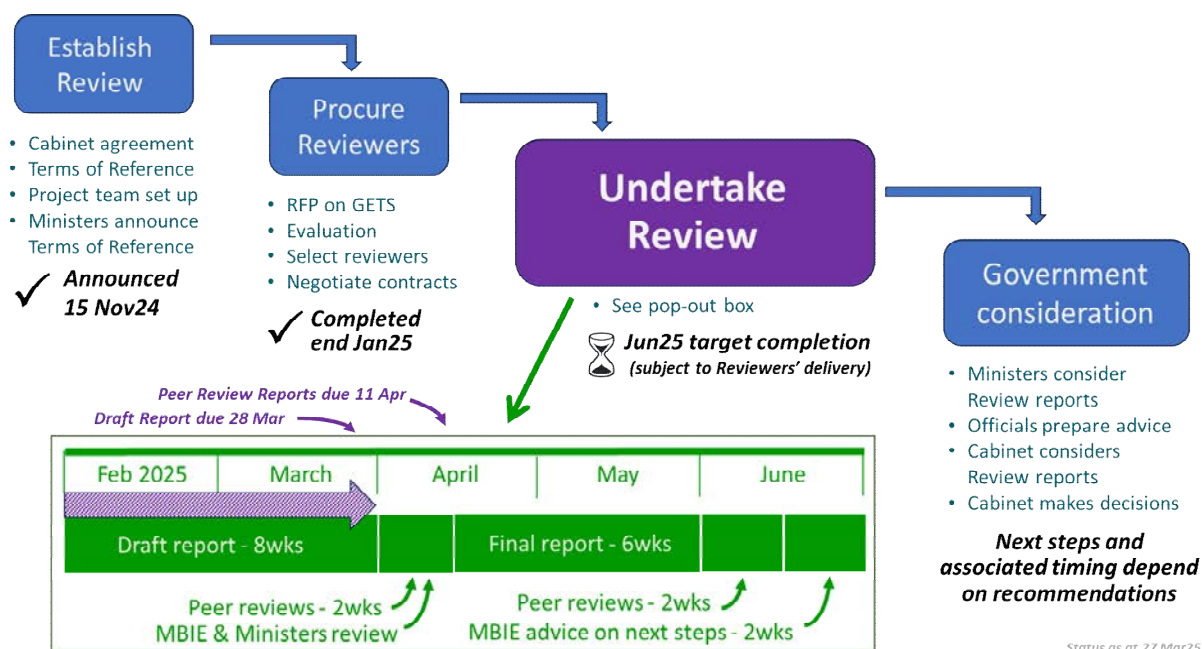
8. Frontier's work to date includes:
 - analysing key quantitative information on the New Zealand electricity market, including wholesale and retail pricing and contract data
 - drawing on the expertise of Frontier's international team including economists across their European and Asian offices, and colleagues from the USA

- participating in a series of workshops with the New Zealand Expert to ensure they have a good understanding of relevant New Zealand-specific matters
- assembling and considering key documents, publications and reports
- 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
- holding a series of discussions with targeted stakeholders to gather perspectives on the current state of the market, future challenges, and options:
 - perspectives included regulators, consumers, major users, gentailers, 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, electrification, transmission grid, distribution network, gas supply, distributed energy resources, institutional arrangements and co-ordination.

Timetable and next steps

- Ministers set a tight timetable for the Review, to enable timely decision-making by Ministers and Cabinet. The Review phases and timelines are shown in Figure 1 below.
- Receipt of Frontier's Draft Report marks the beginning of the next phase of the Review – a two-week peer review of the Draft Report by the two international Peer Reviewer teams engaged for this purpose. Reports from the two Peer Reviewers are due on 11 April.

Figure 1: Overview of the Review process and target timelines





Annexes

Annex One: Attendee biographies

Annex Two: Terms of Reference for the Review

Annex One: Attendee biographies

	<p>Danny Price, Project Director, Frontier Economics</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>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>Scott Stacey, Project Manager, Frontier Economics</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. He had a lead role in the development of the Australian 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 in 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
