



THE LEGACY WE LEAVE IS A TRACEABLE CHOICE

BRAVETRACE USER GROUP: Meeting 3, 27th March 2025.

bravetrace.co.nz



Overview

- Administration
- NZECS Principles Survey
- Registry V2 Update
- End of Electricity Production Year 2024/25
- Seeking NZ Government recognition of the RSM and Dual Reporting
- NZ-EC Price Discovery





ADMINISTRATION

Laura Ferrier

bravetrace.co.nz

APPROVAL OF MINUTES - Meeting 2, 4th December 2024

Emailed out 17th January 2025 to Members, and on BraveTrace website

Chance for feedback/corrections



USER GROUP

BraveTrace User Group – Slide Pack – December 2024

The Slidepack from the second BraveTrace User Group meeting in December 2024.

[READ MORE](#)



USER GROUP

BraveTrace User Group – Agenda – December 2024

The Agenda from the second BraveTrace User Group meeting in December 2024

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USER GROUP

BraveTrace User Group – Minutes – December 2024

The Minutes from the second BraveTrace User Group meeting in December 2024.

[READ MORE](#)

Upcoming change of Secretariat

Laura is on Parental Leave from mid-May

Laura to circulate Meeting 3 Materials (minutes, recording etc)

From Meeting 4 there will be a new Secretariat - TBD

Any admin questions in interim contact Tim Street (BraveTrace Representative)



NZECS Principles Survey

Tim Street

bravetrace.co.nz

NZECS Principles - Review for publication

NZECS developments are evaluated using the NZECS Principles, each principle is currently given equal weighting:

- **Impact:** Does the change increase the level of support Energy Users can provide to Registrants (renewable energy producers registered on the NZECS) and does the change increase the level of Energy User confidence that greenhouse gas (GHG) emissions will reduce because of that support.
- **Robustness:** Does the change improve the robustness and credibility of the NZECS, including consistency with relevant standards, such as the GHG protocol.
- **Participation:** Does the change promote participation by lowering transaction costs, making the NZECS easier to use, or providing a more useful product.

The User Group Terms of Reference requests that members consider the NZECS Principles when providing advice

In advance of the publishing the NZECS Principles on our website we sought feedback from User Group members via a survey

NZECS Principles - Feedback from the User Group

Question

Feedback

Do you agree that the use of the NZECS Principles adds value to the NZECS development process?

Unanimous agreement

Do you agree that Impact, Robustness and Participation are the correct three Principles that should be applied?

Generally agreed

- Could consider removing Participation as a Principle.
- Promoting Participation could cause conflicts with the other Principles.

Are there any further clarifications that should be captured within the definition of these Principles?

Useful to clarify what influences impact and how it is measured.

- Is impact primarily focussed on GHG emission reduction?

How do you account for accessibility within participation?

Are there other Principles that should also be included?

Suggested: 1. Transparency 2. Environmental Integrity 3. Global alignment of scope 2 market based

Do you agree that each of the Principles should be given an equal weighting?

Mixed views

This depends on how the Principles might affect energy user reporting. Impact should be given a higher weighting.

NZECS Principles - Feedback from the User Group

Question	Feedback
Where the benefits of two or more Principles intersect do you agree the benefits should not be double counted?	Mixed views, yes and no opinions expressed One yes qualification: there should be no double counting from an emission reduction perspective, so there needs to be a threshold on how this is accounted for
Is a net benefit across the three Principles acceptable?	Mixed views, yes and no opinions expressed One yes qualification: Would need to understand this from an implementation perspective.
Do you agree that BraveTrace should publish the NZECS Principles?	Unanimous agreement
We propose that if changes are made to the NZECS Principles in the future that we first consult with the User Group, following a similar process to this survey. Do you agree with this approach?	Unanimous agreement

NZECS Principles - Next steps

- **Seek agreement on the main thrust of any amendments to the existing NZECS Principles**
- **BraveTrace drafts a revised version of the NZECS Principles**
- **Optional step: BraveTrace shares the draft version of the NZECS Principles with User Group members for any additional feedback**
- **BraveTrace finalises the NZECS Principles and publishes them on its website**




Registry V2 Update


Andrew Chilton

bravetrace.co.nz

Example: Available Generation



Contact us

John Jones | 

« Dashboard

Registrant

Devices

Available Generation

Embedded Generation

Held Certificates

History

Production Device

☒ A Lake

☒ A Wind Turbine

All | Clear

Month

☐ April

☐ May

☐ June

☐ July

☐ August

☐ September

☐ October

☐ November

☐ December

☒ January

☒ February

☒ March

All | Clear

Source Type

☒ Hydro

☒ Landfill gas

☒ Solar

☒ Wind

All | Clear

Apply

Available Generation

Issue from this Available Generation

Period	Year	Production Device	Type	Technology Type	Units (MWh)	Action
February	2025	A Lake	Hydro	Storage head installation	26,039	Issue
February	2025	A Wind Turbine	Wind	Horizontal-axis	151	Issue
January	2025	A Lake	Hydro	Storage head installation	27,287	Issue
January	2025	A Wind Turbine	Wind	Horizontal-axis	227	Issue

Extra functionality such as:

- Ability to filter on more facets
- Fewer clicks to achieve what you want
- Faster responses

Registry v2 Timeline

- **No formal release yet - get through end of Production Year first**
- **Mar 2025 : Internal testing ongoing**
- **Apr 2025 : Alpha release to volunteers**
- **May 2025 : Beta release to around half of our users**
- **Jun 2025 : All users switch over**

Potential Features on the Roadmap

- **Multiple Members per Account (Registrant, Participant)**
- **Review of top navigation, a left hand side vertical Menu**
- **Self-Service “Statements of Position”/“Redemption Receipts”**
- **Better “Application” process (PDs, EUs, etc)**
- **Lots of other Ideas**

Please let us know if you have any suggestions



End of Electricity Production Year 2024/25

Laura Ferrier

End of Electricity Production Year 2024/25

On the 13th March we sent a EOY notification to all NZECS Systems Users (Registrants and Participants)

All 24/25 Production Year (1 April 2024 to 31 March 2025) transactions must be completed by the 30th April 2025.

We have suggested dates for tasks to be completed to ensure a smooth end to the Production Year.

We guarantee that requests will be processed if received by the following times (NZT):

- 28th March 2025 5:00 pm: register Registrant and Participant accounts, Production Devices
- 17th April 2025 5:00 pm: register Energy Users, upload consumption data, and submit embedded generator production volumes
- 29th April 2025 5:00 pm: submit issuance, transfer, redemption requests that require NZECS support
- 29th of April 2025 5:00 pm to 30th of April 2025 11:59 pm: System Users can still perform issuance, transfer, and redemption in the Registry, however, we do not guarantee NZECS admin support.

In the event that requests are submitted after the recommended dates, we will do our best to accommodate these, but we cannot guarantee that they will be processed in time to complete the transactions for the 2024/25 Production Year.

End of Electricity Production Year 2024/25 - timeline

KEY EOY TASKS TABLE					
PY 24/245 Dates	Friday 28th March 2025 (5:00 pm NZT)	Monday 31st March 2025 (11:59 pm NZT)	Thursday 17th April 2025 (5:00 pm NZT)	Tuesday 29th April 2025 (5:00 pm NZT)	Wednesday 30th April 2025 (11:59 pm NZT)
REGISTRANT TASKS	Last day* to submit the final Registrant User Agreement for document execution	Final day of the 2024/25 Production Year	Last day to submit/upload embedded generation volumes of the registered Production Devices	Last day to submit issuance or transfer requests in the Registry	Deadline for issuing or transferring NZ-ECs in the Registry
	Last day for Registrants to submit complete Production Device information capture form and supporting documents			Last day to submit any support request to the NZECS team	
PARTICIPANT TASKS	Last day to submit the final Participant User Agreement for document execution	Final day of the 2024/25 Production Year	Last day to submit complete Energy User registration requests	Last day to submit redemption or transfer requests in the Registry	Deadline for transferring or redeeming NZ-ECs in the Registry
			Last day for the provision of actual consumption volumes for the registered Energy Users in the preferred NZECS format	Last day to submit any support request to the NZECS team	



Seeking NZ Government recognition of the RSM and Dual Reporting

Victor Fraga (User Group member)

Seeking NZ Government recognition of the RSM and Dual Reporting

Background:

- A key benefit of the NZECS is the avoidance of double counting via:
 - the tracking of renewable energy from production to consumption, and
 - the publication of the Residual Supply Mix (RSM)
- The GHG Protocol states that dual reporting must be undertaken for scope 2 emissions
 - Market-based method relies on a RSM for electricity consumption not covered by an accepted market-based instrument

Problem:

- Presently the Government, including its departments (MBIE and MfE), do not provide clear guidance on the requirement for dual reporting or recognise the critical role played by the RSM in market-based reporting
- Without this there is a concern that:
 - many NZ businesses are not accurately reporting their Scope 2 emissions in alignment with international best practice
 - the maximum potential for NZ businesses to support renewable energy in NZ is not being realised.

Proposed action:

- Prepare and present a letter to Hon Simon Watts (Minister of Climate Change, Minister for Energy, Minister for Local Government, Minister of Revenue) that is co-signed by BraveTrace and User Group members
- The purpose of the letter is to request Government recognition of dual reporting and the RSM for emissions reporting in line with international best practice for investment confidence
- Seeking user group support and feedback on this proposal



NZ-EC Price Discovery

Shaun Goldsbury

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Important statement before we begin our discussion

The BraveTrace User Group Terms of Reference includes the following provisions:

- Section 3: SCOPE, 3.2 Out of scope
 - Specifically, out of scope: ... Discussion on specific commercial arrangements including the price of NZ-ECs. Members should be aware of the Commerce Act as they are potential competitors in the NZ-EC marketplace. The Commerce Act prohibits anti-competitive agreements between firms such as agreements to fix prices, allocate markets or restrict output.
- Section 6: FUNCTIONS AND RESPONSIBILITIES, 6.1 Chairperson
 - The key functions of the Chairperson include: ... ensuring that specific commercial arrangements including the price of NZ-ECs are not discussed.

We can discuss arrangements to improve NZ-EC price discovery but we must not discuss specific commercial arrangements including the price of NZ-ECs.

Price Discovery in General - Why is it important?

Price discovery is crucial to markets for several reasons, it fosters fair competition, informed decision-making, and market efficiency. Here's why this is important:

- **Informed Decision-Making:** When prices are transparent, market players can make better-informed decisions. Buyers can compare prices, ensuring that they are getting good value and sellers can adjust their offerings in response to market demands.
- **Increased Competition:** Transparent pricing encourages competition, which can improve quality and increase innovation.
- **Market Efficiency:** Price discovery helps markets function efficiently by reducing information asymmetry. When all parties have access to price information, resources are allocated more efficiently, and prices reflect the true supply and demand dynamics.
- **Trust and Fairness:** Consumers are more likely to trust a market when they can easily access price information. Price discovery builds trust in the system, creating a sense of fairness where buyers feel they are being treated equally and honestly.
- **Facilitating Entry:** For new businesses entering a market, price discovery helps them understand where they stand in relation to existing players. They can identify market opportunities, and determine competitive pricing strategies based on available information.

NZ-EC Price Discovery - The current situation

Currently, there is limited NZ-EC price discovery

- BraveTrace is not a counterparty to NZ-EC trades, we have no or little information on NZ-EC prices
 - Even if we become aware of price information, we do not share it
 - We may provide general guidance and describe the factors that are likely to influence NZ-EC prices
- One Participant has published NZ-EC price information

We have received feedback from parties, both familiar and unfamiliar with the NZECS, that improved price discovery would be of considerable value. Key (Participation) benefits include:

- Improved confidence that the price they are offered is fair and competitive
- More informed choice, based on a better understanding of the:
 - likely cost for Energy Users and income for Registrants
 - factors that influence NZ-EC prices, such as the age of plant, size and length of transaction, alignment with RE100.

NZ-EC Price Discovery Options

There are a number of ways that we could collect and publish price information for the benefit of all system users.

For example we could;

- Conduct an annual voluntary, survey and publish results (low effort, low impact)
- Create a price disclosure system (voluntary or not?), similar to the hedge disclosure system run by the EA, and publish data (medium effort, medium impact)
- Require price information to be entered into the Registry when certificates are redeemed, with agreed summary data to be released regularly (high effort, high impact)
- Consider other thoughts or suggestions from the group?
- Only release the results of such a process to those willing to participate, in order to encourage participation without making it mandatory?

Our Proposal to improve NZ-EC Price Discovery

An anonymous survey based on PY24 could be a good first step to improve price discovery, while we work towards more robust options.

High level design:

- BraveTrace conduct a survey to collect NZ-EC price information
- The survey is voluntary but we encourage participation
- The survey is kept as simple as possible
- The results of the survey are published in an anonymised format on the BraveTrace website (or to participants only?)
- The survey is conducted on a regular basis and results are refreshed, a history of prior results will be shown so trends are apparent
- The data collected in the survey will be stored securely and will not be shared with any party outside of BraveTrace
- An explanation of how the information has been collected and what it represents will be published

Our Proposal: More specific design considerations

We recommend that the survey respondent is known to BraveTrace

- This is solely for the purpose of clarifying responses if required

The survey is undertaken by NZECS Participants only

- This is to ensure the consistency of the price information collected and that it focuses on the cost to the Energy User
- Any costs charged by a Participant other than the NZ-EC Price are not included

The frequency of the survey is six-monthly and only considers transactions since the last survey was conducted

The survey will not ask for specific transaction information but rather an aggregated view of NZ-EC pricing

We suggest that NZ-EC prices are aggregated into different categories

- For example we may group pricing by RE100 compliance, age of plant, fuel type, PPA or not.

Our Proposal: We seek User Group feedback on the following

The importance of improving NZ-EC price discovery

Whether we should achieve this by a simple means

Whether the information should be collected by BraveTrace via a survey

Whether participation in the survey should be voluntary

Whether the survey should be targeted at NZECS Participants only

Whether indicative pricing is the correct approach (rather than requesting specific trade details)

Specific design considerations, such as frequency of survey, level of aggregation

User Group involvement going forward, for example feedback on the survey questions and the presentation of the results



THANKS FOR YOUR TIME.

ANY QUESTIONS?

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