

# Retail Competition Workshop

April 2011

**Creative Energy Consulting**

# IDENTIFICATION OF NON-REGULATORY OPTIONS

# Filtering Criteria

- Will it address the competition problem?
- Is it amenable to a fast, non-regulatory solution?
- Is there likely to be one or more capable and committed proponents?

# Options

- Ian to revisit SOP Options
- Open forum for others to propose options
- Agree shortlist of options for further analysis

# Back to Fundamentals

- GIC and end-user concern is around fewer firm tenderers for large end-users, implying high retail prices and dead-weight losses
- Hypothesis: this is because few retailers :
  - Have enough spare capacity to tender with existing holding; or
  - Are confident of picking up more capacity after winning the tender
- Therefore, any solution must lead to:
  - More issued capacity;
  - “spreading around” of existing spare capacity
  - Less spare capacity required to make a firm tender

# DISCUSSION OF NON-REGULATORY OPTIONS

# Fleshing out each option

- How does it operate: 3 or 4 bullet point description?
- How does it address the competition issues?
- How would it be implemented: eg VTC change?
- Who are the proponents?
- Development process?