

ETNZ Spring Conference

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Chief Executive

27 November 2008

- ▶ Mandate
- ▶ Functions
- ▶ How we operate



What M-co Does

Mco **Corporate Ownership**

- ▶ **Set up in 1993**

- » As a JV company by the electricity industry
- » To establish the wholesale electricity market

- ▶ **Bought by FirstRand Group in 1998**

- » Expanded into other markets and other countries

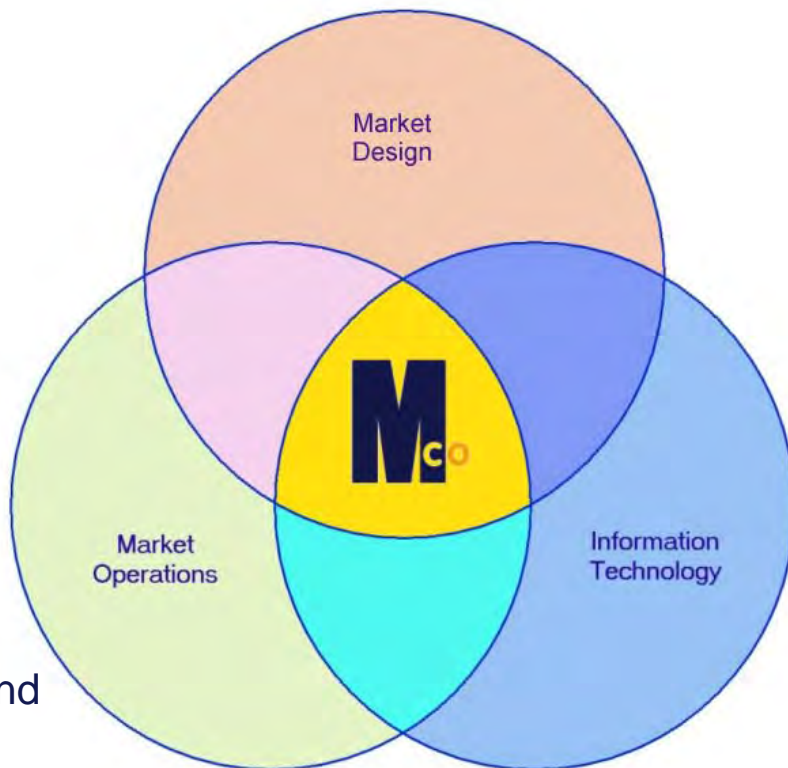
- ▶ **MBO on 30 November 2007**

- » Re-focused the business on the energy and carbon sectors

Our Core Business Is Liberating Markets

Design

- » Auction rules
- » Governance arrangements
- » Regulatory policy advice



Operate

- » Trading systems
- » Billing systems
- » Registry systems
- » Calculate prices
- » Provide information and analysis

Build

- » Fit-for-purpose systems
- » Fast speed-to-market
- » Cost-effective

Mco Current Services

1 We process complex transactions

- Clearing & settlement for the EC
- Pricing manager role for the EC
- Reconciliation for the EC
- Gas allocation role for the GIC
- Billing services for Orion

2 We host B2B trading and information platforms

- COMIT (WITS) for the EC
- Unlisted and EnergyHedge
- Gas contracts market for the GIC
- Regi

3 We sell information

- COMIT Hydro, daily summary emails
- Irregular electricity price reports to non-EC clients

4 We provide consulting and training services

- Economic advice on electricity and carbon markets
- IT consulting e.g. MSP project to Transpower
- Training on understanding electricity markets (UEM)

► Australia

- » Market for trading environmental certificates for generation – called the Green Electricity Market (GEM)
- » Registry for renewable energy certificates for the Office of the Renewable Energy Regulator (ORER)
- » Market administration of retail gas markets in NSW, ACT, SA and WA

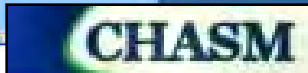
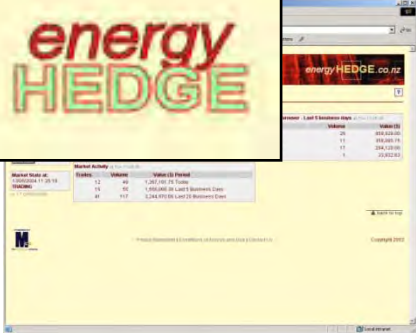
- ▶ Singapore

- » Implemented and operated the New Electricity Market of Singapore (NEMS)

- ▶ Consulting and training assignments

- » Australia, Singapore, South Korea, Taiwan, Japan, Philippines, South Africa, Russia

Mco Product Suite

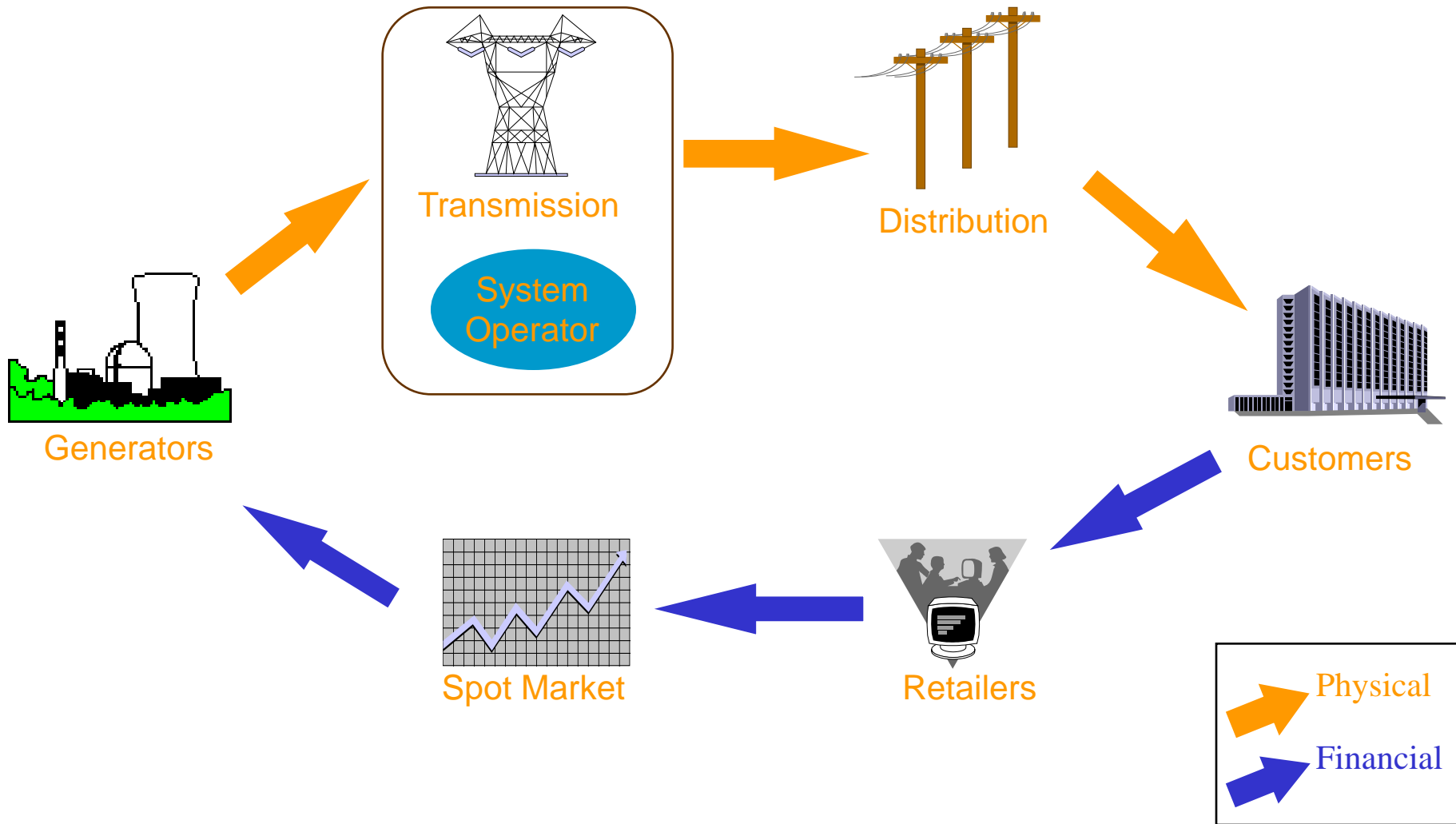




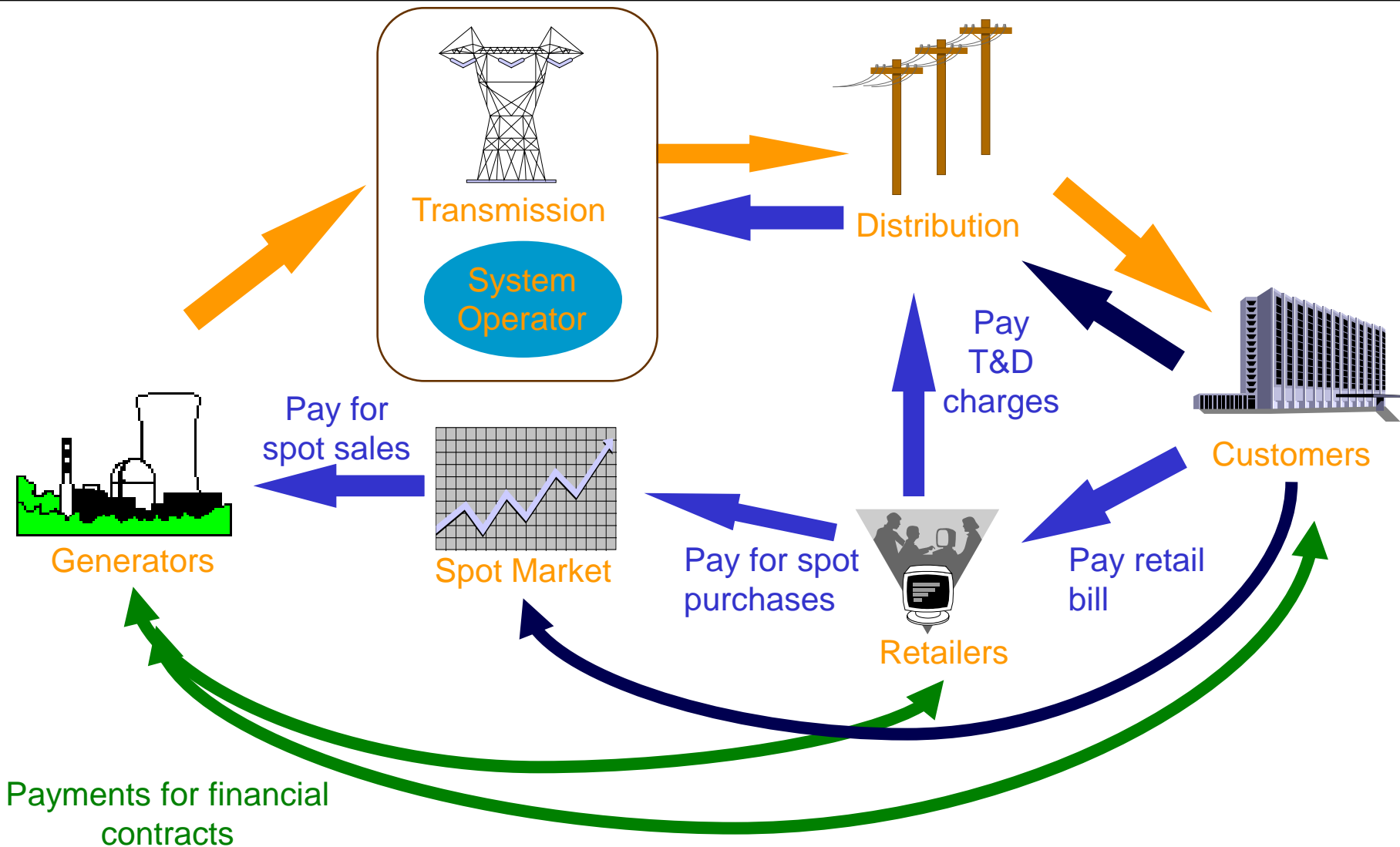
Our Role in the Wholesale Electricity Market

M

co In Simple Terms We Have

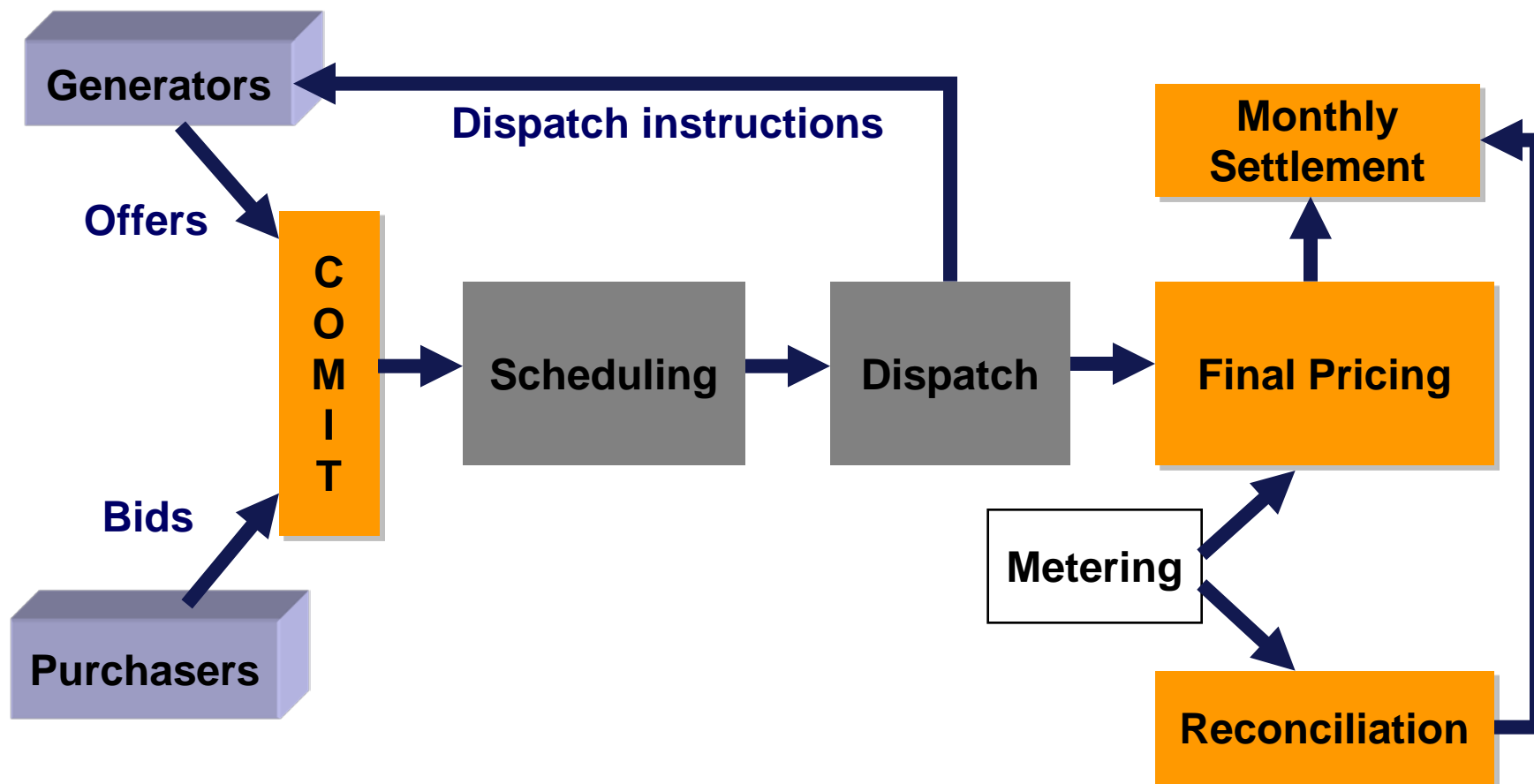


M^{co} In Practice ...



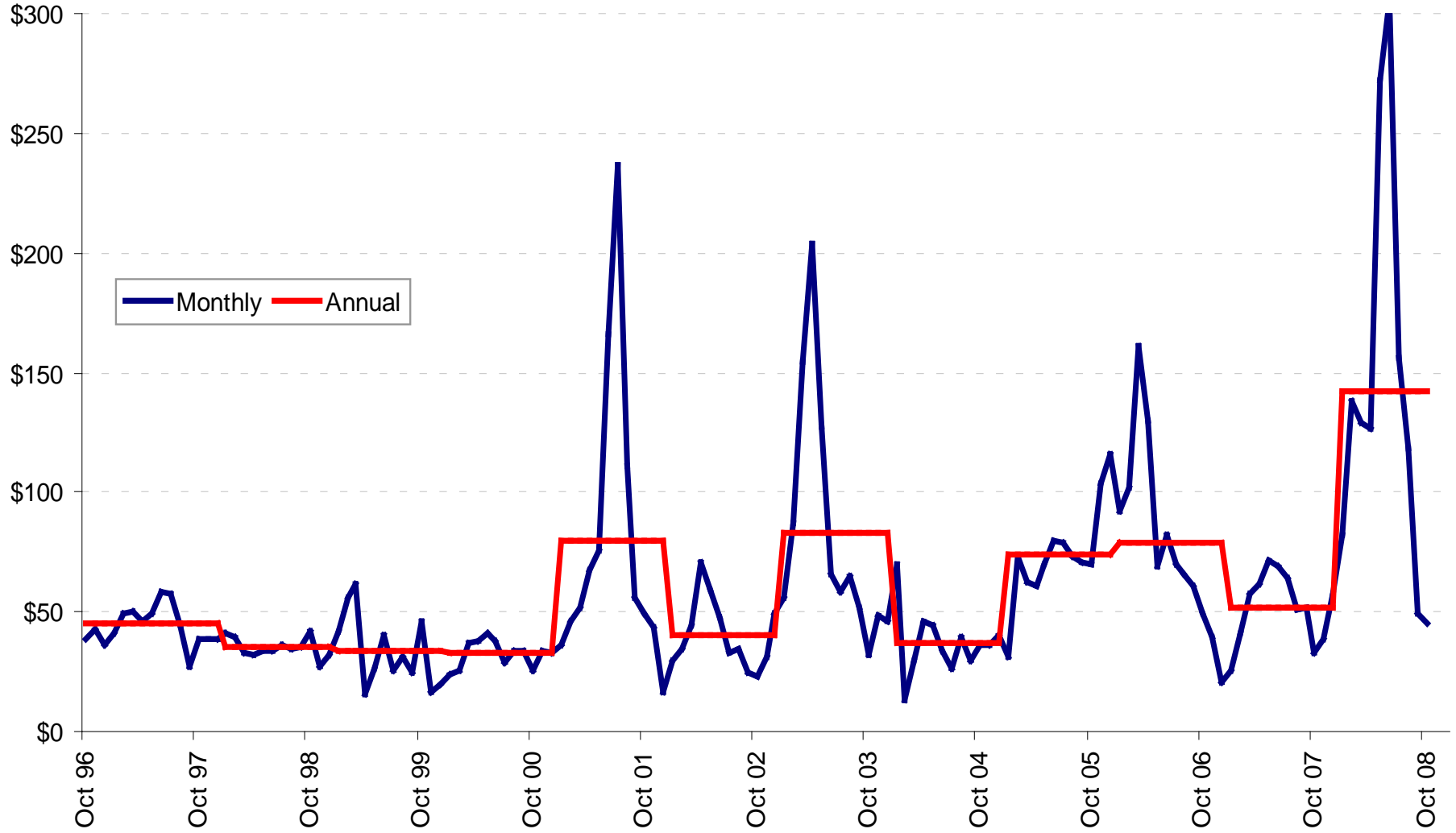
Our Role in the Spot Market

Prudential Monitoring



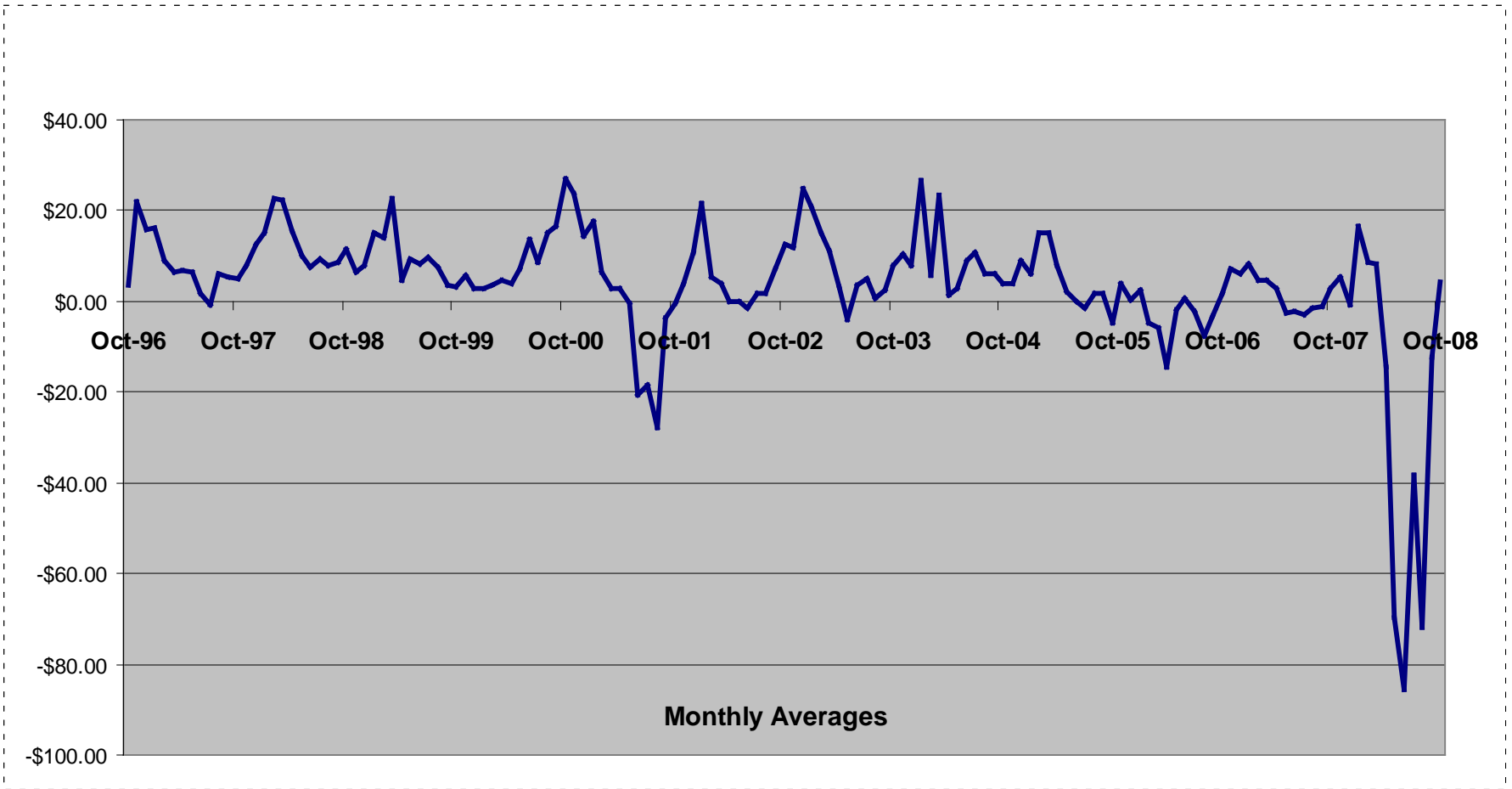


co Haywards Price Path





Otahuhu Prices – Benmore Prices





Questions

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