



## Nova Energy submission on reference case assumptions and sensitivities for the 2024 Security of Supply Assessment

Transpower received the following submission by email from Nova Energy:

*Nova notes that the Reference Case for the SOSA includes, in Stage 2, generation projects that are consented and on hold pending a change in market conditions.*

*Nova's consented site in Otorohanga for gas-fired peakers fits in this definition.*

*Nova suggests that Nova's Resource Consent to build peakers at Otorohanga should be excluded from the Reference Case.*

*Nova acknowledges that the intent of the Reference Case is not to be a forecast of the most likely outcome, but it is inevitable that most parties reviewing the outputs will give it that interpretation.*

*Nova is not privy to possible thermal generation developments by other generators; but despite the change in government and planned dropping of the oil & gas exploration ban, the outlook for gas availability is such that achieving an economic return on new gas peakers remains highly uncertain. As such, Nova is not committed to building Peakers at Otorohanga. It is therefore Nova's view that the market will be best served by treating potential thermal developments as a scenario in the sensitivity analysis.*

*Further; Nova's observation of the gas supply/demand balance from published data suggests there is currently quite high unmet gas demand, and thus caution needs to be taken in availability of gas for generation across the entire thermal portfolio if a dry hydro inflow sequence is experienced in 2024.*