

20th March 2024

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Dear Transpower,

Consultation on changes to the System Operator Rolling Outage Plan (SOROP) – Cross-Submission

Wellington Electricity (**WELL**) welcomes the opportunity to provide a cross-submission on the above consultation to expand our position on two changes to the SOROP that the system operator (SO) has proposed. The changes are: to reduce the notification period of a supply shortage from 14 days to 7 days; and the added responsibility of EBDs to provide half-hourly seven-day GXP demand forecast upon notification of savings targets.

Change in notification timeframes

Northpower agreed with the change in timeframe for lowering notification of savings targets from 9 to 7 days, and they mentioned having the importance of providing information to customers who may want to voluntarily start reducing their load. This would also be the case for the original notification timeframe proposed change from 14 to 7 days. Reducing either timeframe will give customers less opportunity for their own demand reduction or to make alternative arrangements.

As stated in our initial submission, EDBs need to communicate via the retailers to inform our end-customers about impending rolling outages. The actual amount of advanced notice afforded to customers is ultimately dependent on the retailers' methods of contact with the customers. Customers will likely receive less than 7 days' notice that they may be without power for a period of time.

A longer notification time to prepare for a supply reduction could also benefit direct connects. The Major Energy Users Group (MEUG) and NZ Steel submissions mentioned how some direct connects will not operationally be able to reduce demand in 5% increments. All participants have differing needs and a one-size-fits-all could be detrimental to the developing shortage situation. By keeping 14 days' notice for shortage supply event and 9 days for energy savings target, this provides all industry participants with plenty of preparation time to work through operational needs specific to them.

We also agree with Vector that the current interpretation of some clauses could allow major users to limit their reduction in energy savings due to operation inflexibility. If the requirements are tailored to the direct connects operational requirements, then these could be factored into energy savings targets and ensure each participant, industrial or residential, is treated fairly.

Half-hour GXP demand

There are too many factors within question 13 to clearly delineate what submitters are for or against. Further consideration of data requirements on EDBs is required. Orion refers to the inability or logistical difficulties to provide proposed information, and WEL Networks agree with the principle but acknowledge data accuracy could be a problem. It is not especially clear in these answers which aspect of data requirements they disagree with, but the sentiment shows it is essential that any additional requirements on EDBs are cost-efficient and benefits are clearly recognised. The proposed data requirements do not highlight either of these attributes.

Consistent with our own submission, Vector agrees that the SO remains responsible for weekly forecasts of demand, and any developing event would require changes in inputs that would be too difficult for an EDB to model. WELL further believes that the SO is in the best position to forecast these situations as they have a nationwide view and access to information EDBs will not be able to see.

Unclear Costs and Benefits

WEL Networks, Northpower, and Top Energy when answering questions 20 and 21 say that the information provided is not sufficient to fully understand cost-benefits. This could be reflected in the lack of commented material provided by submitters, i.e. most questions were “agree/disagree” and did not leave the opportunity to critically evaluate. There was a large amount of submitters relying on SO assumptions of outcomes, such as shorter notification time ‘may’ result in less energy savings but no technical evidence to back this up other than ‘there could be more rain’. The more certainty that can be provided in these situations will be the most beneficial for customers.

If you have any questions regarding our cross-submission, please contact Chrys Dias at chrys.dias@welectricity.co.nz

Many thanks,

Chrys