

25 September 2026

Transpower (System Operator)
Waikoukou
22 Boulcott St
PO Box 1021
Wellington, 6011

By email to: system.operator@transpower.co.nz

Dear System Operator team,

Consultation Paper— *Ancillary Services Procurement Plan Emergency Reserve Update*

Electricity Networks Aotearoa (ENA) welcomes the opportunity to make a submission to the System Operator (SO) on its consultation paper on *Ancillary Services Procurement Plan Emergency Reserve Update*.

ENA is the membership organisation representing all 28 electricity distribution businesses (EDBs) that distribute electricity across Aotearoa (EDBs represented are listed in Appendix A).

EDBs employ over 7,800 people, deliver energy to more than two million homes and businesses, and have spent or invested \$6.8 billion in network assets over the last five years. ENA harnesses members' collective expertise to promote safe, reliable, and affordable power for our members' customers.

ENA supports the development of Emergency Reserve as an additional means of reducing the likelihood and extent of involuntary load shedding during grid emergencies. We support arrangements that enable eligible distribution-connected load and generation to participate, either directly or through aggregators, without unnecessary barriers. Our submission focuses on the interaction between the scheme and distribution network operation, rather than its detailed procurement and commercial arrangements. Our responses to the specific questions posed in the consultation are included in Appendix B.

Our principal interest is ensuring that distributed resources can contribute to wider system security while maintaining the safe and reliable operation of local networks. Participation should remain subject to applicable distribution connection conditions and operating limits, and material interactions with EDB load control and other network constraints should be identified and appropriately addressed as part of the pre-contract process. This requires engagement with affected EDBs, supported by proportionate information sharing about participating resources and their operation.

ENA also considers it important that Emergency Reserve is developed in the context of wider changes in how demand and generation on distribution networks are managed. As EDBs move towards more active DSO functions, retailers, aggregators and flexibility providers increasingly manage customer resources, and consumers adopt more controllable technologies, clear and durable coordination arrangements are becoming increasingly important.

In this environment, ENA considers there is a growing need for clear and durable coordination principles covering roles, priorities, information sharing and operational precedence. Existing and evolving arrangements, including EDB load control and the EDB Common Load Management Protocol, are part of this wider framework. We do not suggest that all of these matters need to be resolved through the Emergency Reserve Procurement Plan itself. However, the design and implementation of Emergency Reserve should be consistent with, and help reinforce, broader industry arrangements for coordinating the actions of the System Operator, EDBs, retailers, aggregators and other flexibility providers, rather than creating another stand-alone set of operational arrangements.

ENA therefore encourages the System Operator to work with EDBs and providers to establish practical coordination arrangements covering pre-activation, activation and restoration, consistent with these broader industry arrangements. These should give affected EDBs sufficient visibility to manage material local network impacts, without introducing unnecessary approval requirements or delaying an emergency response. Our objective is to support broad participation and effective delivery of Emergency Reserve through clear responsibilities and operational arrangements that make use of existing processes wherever practicable.

If you have any questions about ENA's submission please contact Richard Le Gros, Policy and Innovation Manager (richard@electricity.org.nz).

Yours sincerely



Richard Le Gros
Policy and Innovation Manager

Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members. Listed below are the lines companies represented by ENA:

- Alpine Energy
- Aurora Energy
- Buller Electricity
- Centralines
- Counties Energy
- EA Networks
- Electra
- Electricity Invercargill
- Firstlight Network
- Horizon Networks
- MainPower
- Marlborough Lines
- Network Tasman Limited
- Network Waitaki
- Northpower
- Orion New Zealand
- OtagoNet – represented by PowerNet
- Powerco
- Scanpower
- The Power Company – represented by PowerNet
- Top Energy
- The Lines Company
- Unison Networks
- Vector
- Waipa Networks
- WEL Networks
- Wellington Electricity
- Westpower

Appendix B: ENA Consultation Response

1. Do you have any suggestions for other inputs or analysis that should form part of the forecasting process?
2. Do you have any comments on our suggested forecasting approach?
3. Do you have any thoughts on the balance between accuracy and pragmatism in the forecasting process, and where the System Operator should aim to land in this balance?
4. Do you have any comments on our proposed procurement approach?
5. Do you have any feedback on the tendering approach described in the consultation document?
6. Do you support our proposed approach to pre-contract technical review and testing?
7. Do you support our proposal to use a “high trust” system, including self-certification? Do you have any comments on our proposed implementation of the “high trust” system?
8. Do you support our proposed eligibility settings?

ENA supports the general approach to eligibility, including participation by eligible distribution-connected load and generation, either directly or through aggregators. Requirements should be proportionate, enable broad participation and avoid unnecessary barriers.

Our principal interest is ensuring that participation is appropriately coordinated with distribution network operation. The scheme should enable distributed resources to contribute to system security without compromising local network safety and reliability.

9. Do you have any comments or questions about the eligibility criteria? Note that some eligibility criteria are determined by the Code’s definition of “emergency reserve” and therefore out of scope for the current consultation.

ENA welcomes the confirmation in Table 4 that actively managed loads on EDB networks may participate, with interactions between Emergency Reserve responses and EDB load control assessed during the pre-contract technical review. We also wish to bring to the System Operator's attention the EDB Common Load Management Protocol¹, as an example of the wider arrangements governing the operation of controllable load on distribution networks. While Emergency Reserve is intended to provide an additional response after controllable load has been utilised, it will become increasingly important that these different arrangements remain well coordinated as control of load becomes more distributed between parties.

We suggest that this assessment also encompass other material distribution-network constraints and operating arrangements, including connection conditions, generation export limits and any dynamic operating limits applying to participating resources. The scheme should make clear that participation

¹ <https://www.ena.org.nz/our-work/resources/common-load-management-protocol>

does not override these requirements. Providers, including aggregators, should account for relevant constraints when determining the response they can reliably offer.

Where interactions are possible, the System Operator and prospective provider should engage the relevant EDB during the pre-contract technical review, rather than relying solely on information supplied by the provider. This engagement should identify and resolve potential operational conflicts without creating a blanket requirement for EDB approval of every participating resource.

Following contracting, affected EDBs should have visibility of the aggregate quantity of Emergency Reserve contracted at GXPs supplying their networks. More granular information may be appropriate where a specific local network interaction has been identified.

- 10. Is your organisation considering entering the emergency reserve market? If so, are you considering using resources removed from other schemes (such as interruptible load), or resources that do not currently participate in any similar schemes? Are you considering using load or generation or both?**
- 11. Do you have any questions or comments on the System Operator's proposed use of specified software for the implementation of Emergency Reserve?**
- 12. Do you support our proposed availability requirements including call period, allowed outages, and maximum response duration?**
- 13. Do you support our proposed approach to setting pre-activation and activation triggers? Do you have comments or suggestions regarding the residual threshold values to be used?**
- 14. Do you have any comments about our proposed operational approach to pre-activation, activation and restoration?**

ENA supports an operational approach that coordinates Emergency Reserve with distribution network operation throughout pre-activation, activation and restoration.

The proposal not to issue separate public notifications of pre-activation or activation should be distinguished from the operational information needs of affected EDBs. Affected EDBs should receive timely information on activation and restoration where the response could materially affect network operation. ENA does not consider routine pre-activation notification to EDBs necessary in all cases, although it may have value where an affected EDB identifies a particular operational need. Information should be sufficient to understand the location, scale and expected timing of the response. These arrangements should support operational awareness without introducing an additional approval step that could delay an emergency response.

The consultation describes Emergency Reserve as operating after the use of controllable load and before instructed load shedding. Operational arrangements should therefore clarify how Emergency Reserve and EDB load control will be coordinated, avoiding conflicting control actions or reliance on the same demand reduction twice. We also support the proposed requirement for providers to notify the System Operator of reduced response capability and suggest that implementation guidance explicitly address reductions arising from distribution-network constraints.

Restoration requires similar coordination. Paragraph 167 allows providers to cease their response after the restoration notification, meaning that acknowledgement does not necessarily indicate when load will return or additional generation will cease. Where restoration could materially affect a distribution

network, proportionate arrangements should provide the affected EDB with visibility of the expected timing and enable any local constraints or potential rebound demand to be managed.

ENA encourages the System Operator to develop these coordination arrangements with EDBs and providers before the scheme commences, using existing communication processes where practicable.

- 15. Do you have any comments on our proposed reporting provisions?**
- 16. Do you support our proposed approach to on-demand testing?**
- 17. Do you support our proposed approach to monitoring and verification?**
- 18. If you are a potential provider of Emergency Reserve, are the suggested requirements technically feasible for you? To what extent would metering or other hardware upgrades be required for your assets to participate in the scheme?**
- 19. Do you have any comments on our proposals regarding baselining? If you are a potential provider, you may wish to include examples relating to particular assets that may participate in the scheme.**
- 20. Do you have any comments on our proposed approach to enforcement and penalties?**

Where an Emergency Reserve resource is also affected by EDB load control, or by customer responses to EDB signals such as control period demand pricing, the baselining methodology should ensure that these responses are appropriately reflected and that the Emergency Reserve delivered is genuinely additional. ENA suggests the System Operator's guidance on acceptable baselining methodologies explicitly address these circumstances.

- 21. Do you support our proposed approach to fees?**
- 22. Do you have any drafting suggestions for our proposed amendments?**
- 23. Do you agree the benefits of the proposed amendments to the Procurement Plan can reasonably be expected to outweigh its costs?**
- 24. Are there any other options we should consider? Please explain your preferred option in terms consistent with the Authority's statutory objective in the Electricity Industry Act 2010.**
- 25. Do you agree that the proposed amendment complies with section 32(1) of the Act?**