



25 September 2026

System Operator

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

Tēnā koutou,

Consultation on ASPP Update to Incorporate Emergency Reserve

Simply Energy welcomes the opportunity to comment on the Ancillary Services Procurement Plan Emergency Reserve update. As a provider of flexibility solutions to commercial and industrial (C&I) customers, we support the System Operator's intent to develop a robust Emergency Reserve Scheme (ERS) in line with the Authorities' Code amendment and are broadly comfortable with the proposed approach. We see Emergency Reserve as a valuable complement to existing ancillary services and a genuine opportunity to build C&I demand-side flexibility capability over time.

That said, several elements of the current design would, in our view, limit the volume and diversity of C&I load able to participate, and we encourage the System Operator to consider them before finalising the scheme. The proposed availability requirements — in particular an open-ended call period and lack of a maximum event time — do not reflect the capability and/or willingness of many industrial loads to participate and risk excluding all but a narrow set of asset types. We recommend a more targeted call period aligned to the periods of highest residual risk.

We also do not support the proposed director certification requirement, and consider the System Operator, which already performs this role for comparable ancillary services, is better placed to verify compliance.

Finally, we also note that the metering requirements will create a natural economic threshold that excludes smaller sites, and that the lead time required to develop and operationalise new C&I load means the current ERS design and RFP timeline carries a real risk having load ready in time for Winter 2027.

We have set out further detail and specific suggestions against each consultation question below.

Ngā Mihi,

A handwritten signature in dark ink that reads "Luke Cartmell-Gollan".

Luke Cartmell-Gollan
Simply Energy

Submission Date:	25.09.2026
Organisation:	Simply Energy

Question 1: Do you have any suggestions for other inputs or analysis that should form part of the forecasting process?

Question 2: Do you have any comments on our suggested forecasting approach?

Question 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?

We support the proposed forecasting process for these initial stages of developing the ERS, with pragmatism being a primary focus given the short timeframes.

As per many other forecasting services delivered by the SO, we are confident this will be reviewed regularly with a view for continuous improvement.

Question 4: Do you have any comments on our proposed procurement approach?

We support the proposed procurement process.

Question 5: Do you have any feedback on the tendering approach described in the consultation document?

We would like to see both the RFP and the contract design allow a provider to contract for multiple tranches.

We would like this functionality available as it provides for flexibility in how we offer to the RFP and contract. For instance, we may want to group similar sites together into "tranches" for managing various inputs:

- technical requirements regarding dispatch; or
- Different offer prices for RFP; or
- Providing non-confirming offers into the RFP, such as sites that have a max event time.

Question 6: Do you support our proposed approach to pre-contract technical review and testing?

We support the desire to retain flexibility during the design and early years of the ERS, however would advocate for this to be firmed up as the product matures.

Question 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?

We do not support the proposal to require participants to provide director certification regarding delivery of service for ERS events.

We believe the System Operator is best placed to certify the response of providers in an event. They are approving participation via a pre-contract technical and testing review and are allowing providers to specify their own baseline. The SO already provides this service on behalf of the market for other Ancillary services, such as Instantaneous Reserves. They have the technical expertise and independence

required to complete this for the Emergency Reserve scheme so we see no reason why these responsibilities should be pushed to participants.

Director certification should be reserved for matters of governance within a company. Managing compliance within this Ancillary Service is operational and should be completed by the party best placed to understand, review and certify the technical detail that would be involved.

Question 8: Do you support our proposed eligibility settings?

Question 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.

There is nothing we oppose in the SO's proposed eligibility criteria and agree it aligns with the Authorities directive.

However, we believe there is still sufficient uncertainty around what can participate and what cannot. We would advocate for:

- The ability for participants to provide separate offers/tranches and have each assessed independently. This will allow similar assets (technically and/or price) to be grouped together.
- Assessment of eligibility to be done at an asset level, rather than point of connection to the grid. Many industrial sites have a mix of processes and assets that have different levels of flexibility and price sensitivity. As such, part of a plant may be participating as Interruptible Load or be used to respond to high spot prices and reduce energy costs, whereas other parts of the plant (not already participating in the market) are suitable for this ERS programme. We assume asset level meter data, or other evidence to demonstrate the assets looking to participate in the ERS have not responded to high spot prices in the past, will be sufficient.

Question 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?

Yes. We are looking at identifying any load that is most suitable to support the ERS programme.

It is worth noting that in our experience the business development and operationalisation of C&I load typically takes considerable time to complete. Given this, the proposed ERS design and RFP timelines pose a potential risk to having any load available for Winter 2027.

Question 11: Do you have any questions or comments on the System Operator's proposed use of specified software for the implementation of Emergency Reserve?

We are comfortable in principle with the choice to use FlexPoint, noting the final design and detail will be important in determining costs of participation. We would also like to see more information on how FlexPoint will be used, for example for pre-activation, activation, post event verification etc, to inform an assessment and design of participation and automation requirements.

Therefor the technical design is an important consideration for any RFP and value proposition and industry co design may be appropriate.

Question 12: Do you support our proposed availability requirements including call period, allowed outages, and maximum response duration?

We believe the proposed design will materially limit the success of the ERS.

The proposed design is suitable for some asset types (such as Diesel Gensets) but is challenging from a load perspective as it requires an open-ended commitment from any load looking to participate and will materially limit the number of suitable participants.

We would like to see requirements that also balance the secondary objective to “build consumer capability to provide demand flexibility more generally, through organisational capability and investments in equipment.”

As noted by the SO, the ERS is not a 24/7/365 product. We also believe it is not a “24/7/Winter” product. The assessment of need that the SO will complete will identify when low residuals are expected to occur and we believe the call period should be limited to those time periods that manage the highest risk (rather than trying to manage all possible risk through winter).

Additionally, given load generally has a daily shape, the current proposal impacts ability to provide a firm MW load reduction off whatever baseline is selected.

Available load at 0200 could be much lower than at 0900. If a firm MW is required for the entirety of the Call Period, the maximum that can be conservatively offered may be much lower than a targeted Call Period, which will in turn impact the economic viability of participation.

As a final note, we also query the rationale for not setting a max event time because *“this could result in ancillary service agents ceasing their Emergency Reserve response while a grid emergency is continuing and the response is still needed”*. The ERS scheme creates value by reducing how many MW must be shed indiscriminately via feeders and avoiding VOLL. For every minute an ERS is operational, it is creating value. If a grid emergency continues beyond the max event length specified in ERS and load shedding is required by feeders, the ERS has still delivered significant value by reducing the length of time those feeders had to be shed. We anticipate that we would be able to achieve higher customer engagement and participation in the ERS if we are able to set a maximum event time or provide specific call windows (e.g. morning and evening peaks).

Question 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?

We are still a little unclear on how ERS would be managed alongside Difference bids and hot water load in an emergency. It is our expectation that the ERS would be triggered materially after (circa 15 minutes) any hot water load offered through Difference bids has been dispatched off, to allow for the actual load reduction from that tool to be calculated.

It would be helpful prior to any RFP, to clearly set out the process with a detailed worked example and time stamps that covers how the various tools will all work together – Difference bids / hot water response, ERS, and “Controllable Load” which

EDBs and Direct Connect industrial customers must make available in a grid emergency (and which falls under the new the new CACTIS requirements).
Question 14: Do you have any comments about our proposed operational approach to pre-activation, activation and restoration?
We are comfortable in principle. We are keen to see more granular detail on how all these various tools are managed in real time; A working example with time stamps would be helpful. We note Para 163 explicitly states response should not occur prior to activation, however the last sentence in paragraph 158 states that "...for example if there is a need to start shutting down equipment at the point of pre-activation" as part of the inputs for decision making on the trigger setting. We do not have a strong view either way, but it does have impacts on what sites can participate, so the final design should be explicit around expectations for when load shedding can start to occur.
Question 15: Do you have any comments on our proposed reporting provisions?
N/a
Question 16: Do you support our proposed approach to on-demand testing?
We would want to see some limitation on the ability to request on-demand testing, as these tests incur costs for participants. We would be supportive of annual, or two-yearly testing, which is consistent with other Ancillary products.
Question 17: Do you support our proposed approach to monitoring and verification?
We have no issues in principle with the proposed approach. However, we do note that it will only be economic to meet this requirement at large load sites. The existing Revenue Meter already deployed to the site will not meet these requirements, so additional metering will need to be deployed. This additional cost will create a natural limit on the size of assets and/or sites where it is economic to participate. We would also like further detail regarding expectations around location of metering on sites where we have a mix of participating and non-participating assets. We assume compliance will be assessed at the 'participating asset' level rather than at the site level (with any site level checks limited to ensuring that there was no substitution between feeders).
Question 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?
Yes, we can meet the requirements. As per answer to 17, the requirements will require an investment at any participating site and will therefor act to limit what is economic to participate.

Question 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.

We would advocate for a level of standardisation in our (relatively small) industry. As such, we would advocate for the ERS (at a minimum) to adopt the same baseline that is being enforced through the LocalFlex competitions as the default. We would also encourage the SO to review how other schemes like the WDRM in Australia have adopted a range of baseline approaches to suit different sites and set eligibility and bias thresholds for participation to ensure consumers are paying for genuine response.

We support comments regarding managing the risk of gaming. We would however like to better understand what the expectations are regarding metering at sites with multiple feeders into the site. For example, would provision of the Revenue meter data at all incomers to the site be sufficient to manage this risk? Or would all incomers require the proposed metering resolution for participation?

Question 20: Do you have any comments on our proposed approach to enforcement and penalties?

We support the rationale that penalties should be proportionally lighter for the reasons stated.

This approach supports the secondary objective to "build consumer capability to provide demand flexibility more generally, through organisational capability and investments in equipment."

Question 21: Do you support our proposed approach to fees?

Yes.

Has any consideration been made as to how the savings from a reduced wholesale purchase position could be calculated and shared? We encourage the SO to work with the Authority to confirm if and how these impacts will be addressed.

Question 22: Do you have any drafting suggestions for our proposed amendments?

We were unable to complete a comprehensive review of the proposed Procurement Plan changes before the deadline of this consultation. We will endeavour to complete this ASAP and send through any comments or queries we have for consideration, noting the good working relationship we have had with the SO over previous drafting changes in the past 3 years.

Question 23: Do you agree the benefits of the proposed amendments to the Procurement Plan can reasonably be expected to outweigh its costs?

Any cost benefit analysis is best undertaken by the Authority in conjunction with the SO, rather than respondents to this consultation.

Question 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.

See response to question 12.

Question 25: Do you agree that the proposed amendment complies with section 32(1) of the Act?

No comment.

Any other comments: