



4 November 2025

System Operator

Transpower

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

Tēnā koe

Response to “Security of Supply Forecasting and Information Policy Review: Consultation”

Contact Energy welcomes the opportunity to comment on the Security of Supply Forecasting and Information Policy Review (SOSFIP) consultation paper (the paper).

We recognise the care and attention that Transpower has brought to this important issue, and broadly agree with the proposed changes. Our submission focuses on refinements to improve transparency, predictability, and appropriate access to contingent hydro storage.

Thermal Fuel Assumptions

We support the introduction of a second Electricity Risk Curve and Simulated Storage Trajectory scenario based on contracted thermal fuel quantities.

We consider that thermal fuel assumptions should apply for the period covered by the lead time of fuel delivery or re-contracting. In the short to medium term, units are fuel-constrained, and installed capacity is less relevant. Beyond that timeframe, both physical capacity and fuel-constrained capacity should be signalled, as either could apply.

Capacity vs Energy

We agree that capacity issues need to be considered alongside energy issues. This is critical to avoid situations where energy adequacy masks underlying capacity constraints. We have previously submitted on this point and strongly support its inclusion.

NZGB Review

We agree the New Zealand Generation Balance (NZGB) requires review as it is not fit for purpose. Current assumptions based on nameplate generation ratings materially overestimate generation availability. A revised approach should reflect realistic operational capability.

Contingent Storage Buffer

We welcome the proposed change to the contingent storage buffer. However, we consider that the proposed thresholds remain very high, and will continue to result in greater use of thermal fuels at a higher price and greater emissions than is necessary.

We recommend that Transpower considers setting a buffer for each individual catchment, rather than as a whole. This could take into account the current storage levels, but also the current and expected river flows. This approach will avoid capacity constraints binding before additional water becomes available.

Buffer Setting and Discretion

We consider that contingent storage settings need to be clear, transparent and predictable so they can be appropriately responded to by the market. While the discretion applied by Transpower in 2024 was welcome, we do not consider that this sort of discretion should be a feature of the contingent storage regime going forward.

Storage reservoirs are managed over the medium to long term, without clear settings they cannot be managed efficiently, ultimately leading to higher prices for consumers. A rules-based regime would remove uncertainty, increase confidence in the framework and, depoliticise decisions.

If Transpower does not have confidence that the proposed triggers will be appropriate for all eventualities, we encourage them to reconsider the settings and propose further amendments.

Ngā Mihi

A handwritten signature in blue ink, appearing to read 'Brett Woods', is positioned below the 'Ngā Mihi' text.

Brett Woods

Head of Regulatory and Government Relations

Contact Energy.