Genesis Energy Limited
Level 6
155 Fanshawe Street
PO Box 90477
Victoria St West
Auckland 1142
New Zealand

T. 09 580 2094

4 November 2025

To: Transpower
Email: system.operator@transpower.co.nz

Genesis Energy's submission on SOSFIP Review

Genesis Energy Limited **(Genesis)** welcomes the opportunity to comment on Transpower's **(the System Operator)** *Security of Supply Forecasting and Information Policy Review* consultation paper. We support the System Operator undertaking this review and its proposed changes, including its proposal to update the contingent storage reserve boundary buffers with adjustments for seasonality across different hydro lakes. The measures proposed in the consultation paper, combined with the changes to Genesis's replacement resource consent to address the 'shadow constraint', will provide improved access to contingent storage, consistent with its role as the fuel of last resort.

Yours sincerely,

Mitchell Trezona-Lecomte

Mitchell Trezona-Lecomte
Senior Advisor, Government Relations and Regulatory Affairs

SOSFIP Policy Review Consultation Questions and Genesis response

Question 1: Do you support our proposal to amend the SOSFIP?
Yes, we support the proposal.
Question 2: Are there any other SOSFIP amendment options we should consider? Please explain your preferred option in terms consistent with the Authority's statutory objective in the Electricity Industry Act 2010 and consideration of practicality of the solution to implement it.
No comment.
Question 3: Do you have any feedback on our Energy Security Outlook and/or Quarterly Security of Supply Outlook communications? This may include suggestions about how we could make them more useful and accessible in future.
No comment.
Question 4: Do you agree that introducing an additional ERC and SST scenario using contracted fuel information to our Energy Security Outlooks would better support understanding about forward energy risks, and mitigating actions by participants? This scenario would be in addition to continuing to provide the current physical capability scenario. Please provide your reasons.
Yes, we agree. As noted in our submission on the Issues Paper, there are a range of constraints that tend to prevent thermal plant from operating at full capacity, including fuel availability, planned and unplanned outages, workforce capacity, and reserves and day ahead commitments. We also note MBIE is currently consulting on proposals to increase gas information reporting. Genesis is considering its response to this proposal. To the extent there is overlap between the objectives of MBIE's proposal (which include enabling better monitoring of the gas market by government) and the role of the System Operator, we support a joined-up, cross-agency approach to monitoring energy security of supply, ensuring a coherent system view and maximising efficiency.
Question 5: How far into the future do you think any contracted fuel information scenario should be modelled? This could be any duration up to the full length of the physical capability scenario, which is up to 24 months. Please explain your rationale.
For contracted fuel information modelling, we believe 12 months would be the appropriate timeframe. Coal contracting occurs out a maximum of 12 months and some gas contracting has recently also been moving to shorter terms of 12 months or less. Operational visibility of gas contracting is therefore more refined over 12 months, and less so beyond 12 months.
Question 6: Do you agree with our proposal to replace the current worst-case SST with a time-to SST that is progressively less pessimistic into the future? Note the time-to SST will be used to determine the estimated time-to for Alert, OCC and as part of our CSRB buffer discretion process? Please provide reasons for your answer.
Yes, we agree.

Question 7: Do you agree with the proposal to update the definition of the Watch curve to ensure Watch is always above the Alert curve, and our preference for Option 1? If not, please provide reasons for your answers.
Yes, we agree.
Question 8: Do you agree with the proposal to have a minimum time under Alert of 4 weeks to reduce the uncertainty? If not, please provide reasons for your answers.
Yes, we agree this is sensible and will provide greater certainty to participants, thereby enabling a more effective industry response.
Question 9: Do you agree with the proposal to change our ERCs and SSTs tools and analysis to a 3-hour model (rather than the current day-night model)? If not, please provide reasons for your answers.
Yes, this would seem to enable more granular modelling of ERCs and SSTs, better reflecting hourly variances than the current day-night model.
Question 10: Do you agree with the proposal to enhance our NZGB and Energy Security Outlook reporting for greater alignment by extending the NZGB time horizon, adding additional capacity scenarios to NZGB and including capacity risk assessment (using NZGB) to Energy Security Outlooks? If not, please provide reasons for your answers.
Yes.
Question 11: Do you agree with the proposal to expand the systems risks for consideration as part of the quarterly scenario assessments? If not, please provide reasons for your answers.
Yes, this seems sensible and prudent.
Question 12: Do you agree with the proposal to update the Alert CSRB buffer for the access to contingent hydro storage? If not, please provide reasons for your answers.
Yes, we support the System Operator's proposal. We agree with the System Operator that the proposal is consistent with the intent of contingent storage to be the fuel of last resort, and that enabling contingent storage to be utilised ahead of other market resources could reduce incentives on thermal or other non-hydro resources with potentially negative long-term impacts on security of supply. However, the experience of winter 2024 demonstrated the need to update contingent storage settings to ensure these remain fit for purpose. We support the proposed changes on the basis it will better support system security by better aligning the CSRB buffer to reflect resource consent conditions, better reflecting seasonality, and better reflecting variable operating constraints across different hydro lakes with controllable storage. The recent decision by the Fast-track panel in relation to re-consenting the Tekapo Power Scheme has provided the clarity Genesis needs to enable access storage previously restricted by what has been termed the "shadow constraint" that has existed between April – September inclusive. This will allow Transpower to include lake storage that is available in Lake Tekapo during this period in its system capacity forecasting. We also note comment by the System Operator on page 54 of the paper that "a review of CCS is needed to ensure the incentives (and risks) of using contingent storage are adequately considered. The Emergency buffer is linked to this and should be considered together with the CCS review", noting that any permanent changes that increase the

likelihood of an OCC (by permanently raising the Emergency buffer) should be considered in conjunction with a review of the CCS (pg. 53). We agree that any changes to Emergency status settings should be considered alongside broader consideration of OCC and CCS settings.
Question 13: Do you agree with the proposal for the System Operator to retain the CSRB buffer discretion process? If not, please provide reasons for your answers.
Yes, we support the System Operator retaining discretion to alter the CSRB buffer where operational circumstances make doing so necessary to mitigate an immediate risk to security of supply.
Question 14: Do you agree with the objectives of the proposed SOSFIP amendment?
Yes.
Question 15: Do you agree it is appropriate to rely on qualitative evaluation of the costs and benefits of the proposed SOSFIP amendment? If not, what information, evidence etc can you provide and/or what methods would you recommend to quantify the costs and benefits?
Yes, insofar as quantitative evaluation is limited by data availability.
Question 16: Do you agree the benefits of the proposed amendment to the SOSFIP can reasonably be expected to outweigh its costs.
Yes.
Question 17: Do you agree that the proposed amendment complies with section 32(1) of the Act?
Yes.
Any other comments: