



T R A N S P O W E R

Waikoukou
22 Boulcott Street
PO Box 1021
Wellington 6140
New Zealand

+64 4 495 7000
www.transpower.co.nz

30 June 2026

By email: natalie.bartos@ea.govt.nz

Natalie Bartos

Operations Policy Manager

Electricity Authority

Dear Natalie

Draft Policy Statement – 2026 review

Having completed our review of the Policy Statement, we now propose amendments for the Authority's review and approval. Consistent with Part 7 of the Code, and with the Authority's consent, we consulted with industry in June on the proposed changes. Three submissions were received, from Vector, Contact and MEUG. Submitters were supportive of the proposed amendments, and no submitter opposed the overall package of changes.

The consultation paper set out the rationale for the proposed amendments and is available, together with the submissions, on our consultation webpage.¹ This letter and the attachments comprise our proposal to amend the Policy Statement. The following documents are attached:

- the final draft Policy Statement, showing proposed amendments;
- the consultation information, including the objectives of the proposed changes and qualitative assessments of the costs and benefits of each change; and
- the submissions received.

The submissions did not result in any changes to the proposal as consulted on.

Response to Vector

Vector considered stakeholders would have benefited from greater visibility of the processes for managing insufficient generation and oversupply. The System Operator acknowledges this feedback and has contacted Vector to discuss it further. The proposed amendments appropriately signal transparency through publication of relevant processes while keeping detailed process design outside the Policy Statement.

¹ [Invitation to Comment: Draft Policy Statement 2026 \(Closed\) | Transpower](#)

Response to Contact

Contact supported the proposed amendments.

The System Operator notes Contact's comments on credible event classification and agrees that any determination of a group of generating units should be evidence-based and informed by engagement with affected parties where appropriate. We also note the upcoming Instantaneous Reserve cost allocation changes,² may be relevant to Contact's concerns about costs arising from the addition of the loss of a group of generation units as a credible event. The System Operator also notes Contact's comments on tie-breaker methodology. We agree that a hybrid approach could be more efficient and, consistent with that view, submitted a proposal to the Authority to exclude intermittent generators from offering at \$0/MWh in tie-breaker situations.³ The Authority decided not to implement that proposal and indicated that the status quo was preferable while it continues to investigate a more robust solution.⁴ The System Operator considers this matter is appropriately addressed through the Authority's investigation, rather than through further changes to the Policy Statement.

Response to MEUG

MEUG supported the proposed amendments and identified the asset capability information changes as the amendment of most impact to its members. MEUG supported consistent expectations for parties whose assets can influence power system quality and performance.

The System Operator welcomes MEUG's support and agrees that relevant capability information is important to support real-time system operation and compliance with the principal performance obligations. The System Operator has also engaged with NZ Steel and confirmed that it will undertake a targeted review of the proposed asset capability information requirements for large loads and associated thresholds, to avoid imposing a wide-ranging information requirement across all components within large consumer loads. Information requirements will be proportionate to the type and risk profile of the load and tailored to the specific load where possible.

MEUG also supported the two areas of potential future development to the Policy Statement on which we invited feedback:

- MEUG considered the approach we suggested, of formalising more detailed NZGB arrangements outside the Code, would strike a good balance.
- MEUG also supported our recommendation to modernise the language in the Policy Statement, including for clarity and ease of interpretation. MEUG considers this to be less of a near-term priority than work to ensure the electricity system is well positioned for near-term potential dry periods.

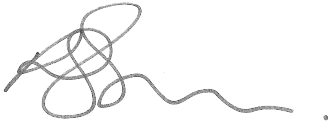
We will consider progressing this work, and our capacity to resource it appropriately, as we progress the next Policy Statement reviews.

² [Instantaneous reserve costs allocation | Electricity Authority](#)

³ [TP Sub Code Omnibus #6 23Feb2026](#)

⁴ [Code amendment omnibus #6: tie-breaker enhancement, materially large contracts, hedge disclosure obligations](#)

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long, wavy tail that ends in a small dot.

Rebecca Osborne

Head of Market Services