

20 March 2024

Dean Eagle
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Sent via email: system.operator@transpower.co.nz

Dear Dean

Proposed changes to the System Operator Rolling Outage Plan

1. This is a cross-submission from the Major Electricity Users' Group (MEUG) on Transpower's consultation paper "System Operator Rolling Outage Plan Review"¹ published for consultation in February 2024.
2. MEUG members have been consulted on the approach to this cross-submission. Members may lodge separate cross-submissions. This cross-submission does not contain any confidential information and can be published on Transpower's website unaltered.

System Operator must retain flexibility to achieve best outcomes for electricity system

3. It is encouraging to see support from several EDBs and large direct connects for the System Operator's proposed amendments to the SOROP. Our cross-submission focuses on comments regarding the treatment of different participants when setting savings targets under the proposed SOROP. Vector² in its submission has commented:

"We are concerned about the ability of participants, especially major consumers, to lobby for lower savings targets compared with residential consumers."

..... Vector strongly opposes the second part of the proposed new clause 6.20 where the system operator may vary or amend the energy savings targets for any specified participant based on economic reasons

....We feel that the concept of good electricity industry practice includes an expectation that all participants will do their part to support the electricity system in the case of emergencies".

4. MEUG agrees that all participants should play their part through planned outages during an energy shortage.

¹ <https://static.transpower.co.nz/public/bulk-upload/documents/SOROP%20Consultation%20Paper%20-%202024%2001%2018%20DRAFT.pdf?VersionId=Bq3oVdhPQiNZDbFYyY4Oh5uUimC1rz76>

² Vector submission, 6 March 2024, https://static.transpower.co.nz/public/bulk-upload/documents/SOROP%202024%20-%20Vector%20Submission%20.pdf?VersionId=4Rh92SPNEJ.gyfQnYewoT_2N0RNzeKKu

5. However, we do not believe it is possible for the System Operator to codify each and every of the exact requirements for a range of participants, during what is an infrequent and worst-case scenario. Rather, the System Operator must maintain a degree of oversight and judgement, where energy savings target may need to be adjusted for some participants, due to:
- a. **Operational constraints:** Some large industrials may only be able to reduce electricity usage at specific intervals or “steps”, due to the technical, operational and safety requirements of certain equipment or processes. This could lead to slightly higher or electricity savings than codified but reflects the unique circumstances of the participant.
 - b. **Additional market responsibilities.** Where a direct connect is also a participant in the ancillary market, for example providing AUFLS or IL, it is important that this obligation is also carefully managed, so not to create further issues or consequences for the power system.
 - c. **Use of co-generation or embedded generation:** The reduction of any load needs to be considered in unison with any co-generation on site, to ensure no adverse impacts on the total load reduced at the site.
6. As noted in our primary submission, we are happy to meet with Transpower to expand on any of these points further.

Next steps

7. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



Karen Boyes
Major Electricity Users' Group