

Via email to system.operator@transpower.co.nz

14 August 2025

Evolving market resource co-ordination: Tie-breaker provisions

Mercury welcomes the opportunity to submit on the System Operator's consultation paper, *Evolving market resource co-ordination: Tie-breaker provisions*, 24 July 2025.

This consultation paper sets out the System Operator's proposed solution for resolving tie-breaker situations along with the alternative options considered. The proposed solution introduces a tie-breaker energy constraint within the Scheduling, Pricing and Dispatch model that allocates dispatch at a given pricing node in proportion to offered quantities.

Mercury supports, in general, the System Operator's proposed solution as it is a step toward providing greater certainty and transparency in tie-breaker situations. There are, however, limitations to a simple application of a solution that allocates dispatch at a given pricing node in proportion to offered quantities. In particular, we note the System Operator will still need to apply discretion where scaling an offer at a node is not feasible, such as in the case of geothermal generation plant.

We consider that the System Operator's proposed solution is workable and an improvement at the present time, but we also consider that further work is required to find a more enduring, long-term solution or solutions to address the increase in the level of variable, renewable, increasingly fragmented generation.

Mercury looks forward to engaging with the System Operator and industry stakeholders on the proposed tie-breaker solution.

Yours faithfully,

A handwritten signature in blue ink, reading "Antony Szrich".

Antony Szrich
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Classification: General

