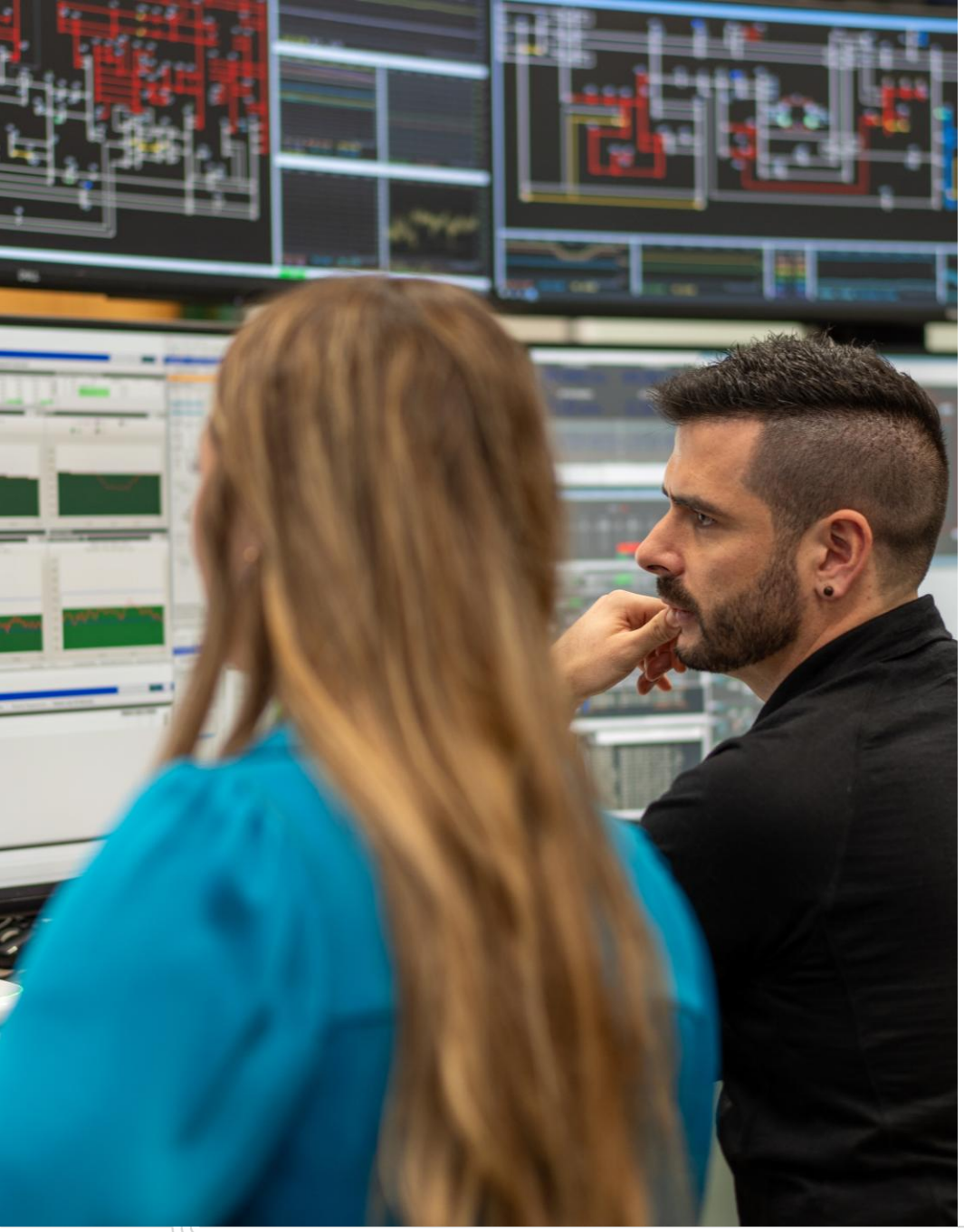
TRANSPOWER

System Operator Industry Forum

2 June 2026

Today's agenda

- Key messages
- Market update
- Energy Security Outlook updates
- NZGB update
- Outage update – next four weeks
- Operational update
- Manapouri stability constraint
- Consultations, publications and events
- Questions / Pātai



Key Messages

- National hydro storage remains above average and South Island around mean, contributing to lower thermal unit commitment. Thermal fuel storage (coal and gas) remain high.
- Waiau catchment near low operating range. We recommend prudent South Island hydro management.
- May Energy Security Outlook has been published - includes the new SOSFIP updates.
- Capacity risks from June - with low thermal unit commitment, plant availability and flexibility remains a focus for industry during these times. Please keep POCP updated.

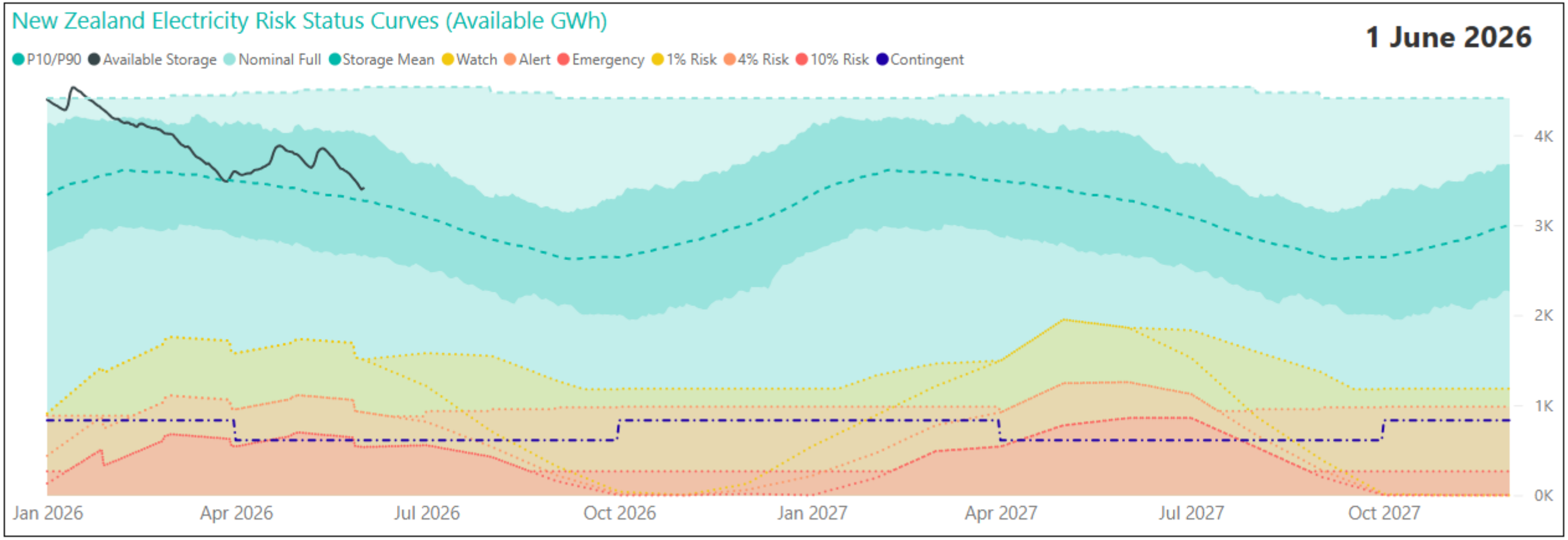
Market update

Energy: National hydro storage

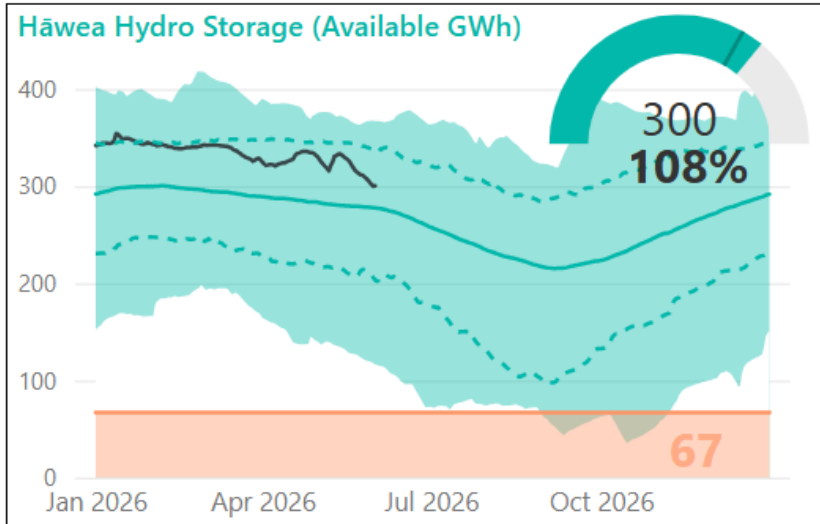
National hydro storage levels remain above average but have since decreased with less than averages inflows

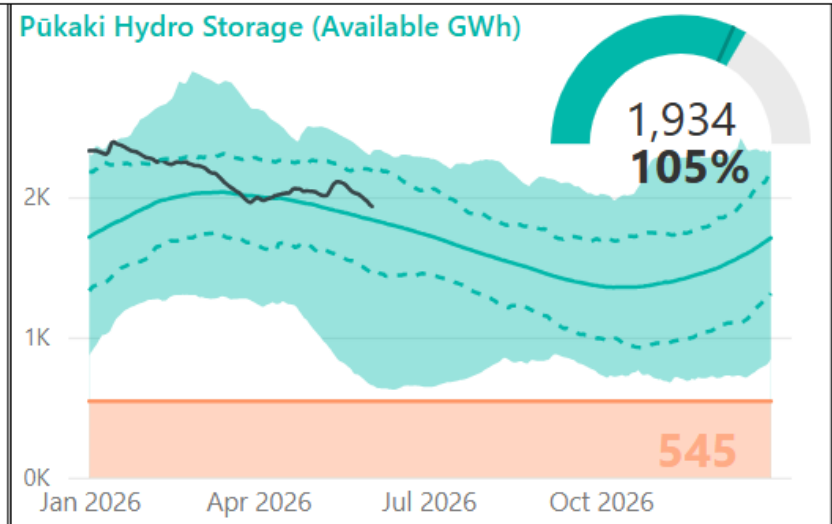
	Hydro storage level (% of mean ▲/▼)		
	New Zealand	South Island	North Island
Last forum	113%	103%	208%
Now	104% ▼	99% ▼	163% ▼

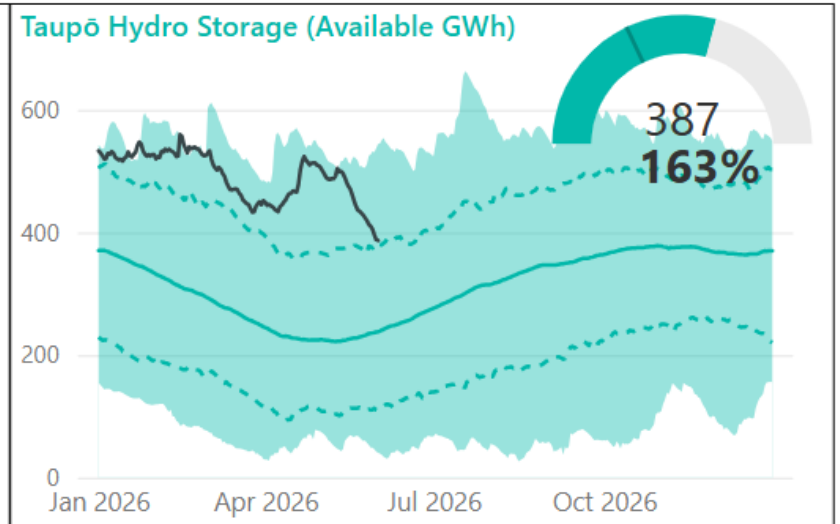
Note: these numbers include contingent storage, so they differ from those reported by NZX

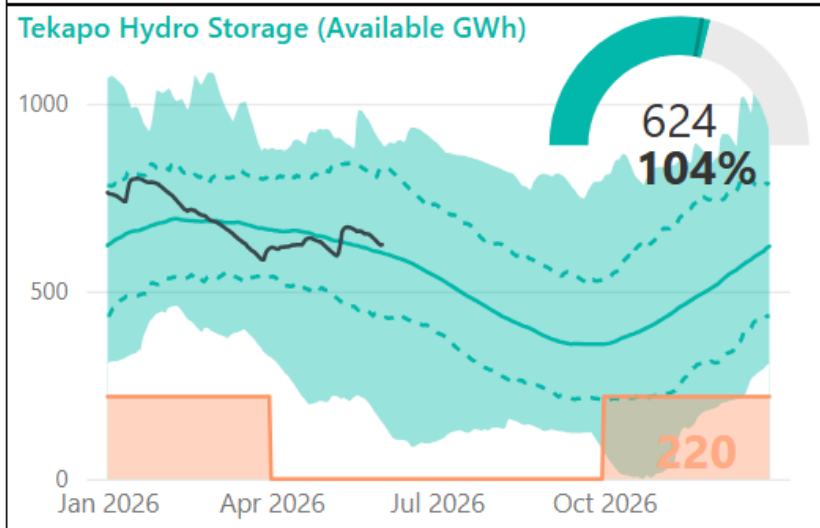


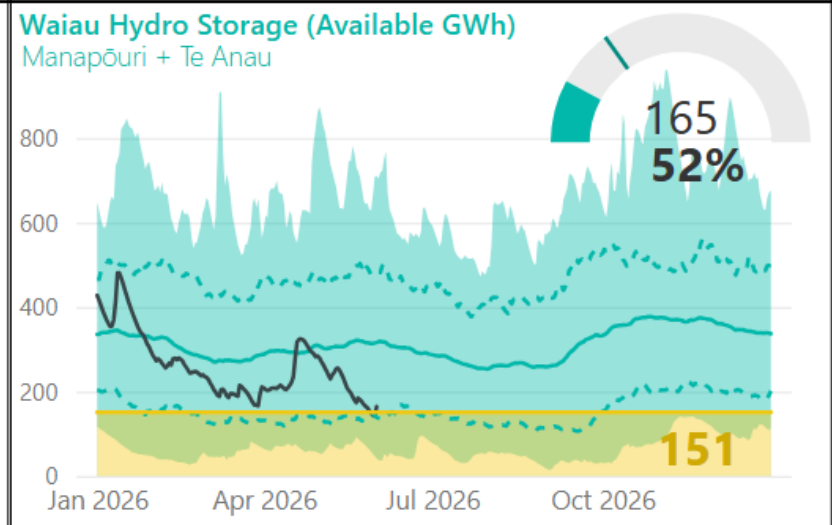
Hydro storage by catchment





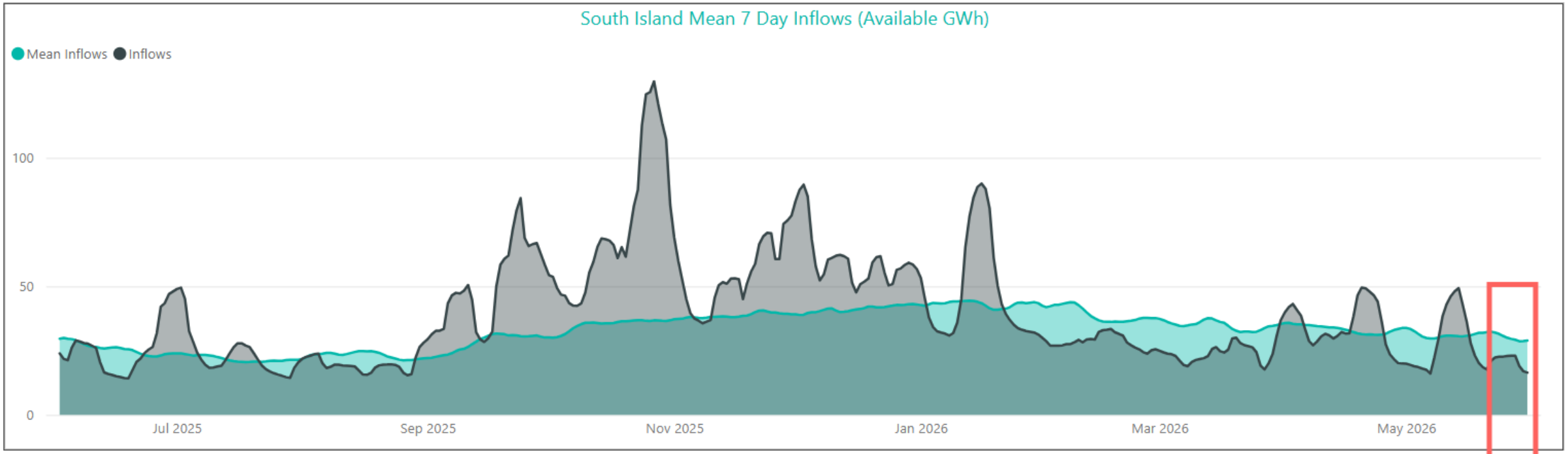


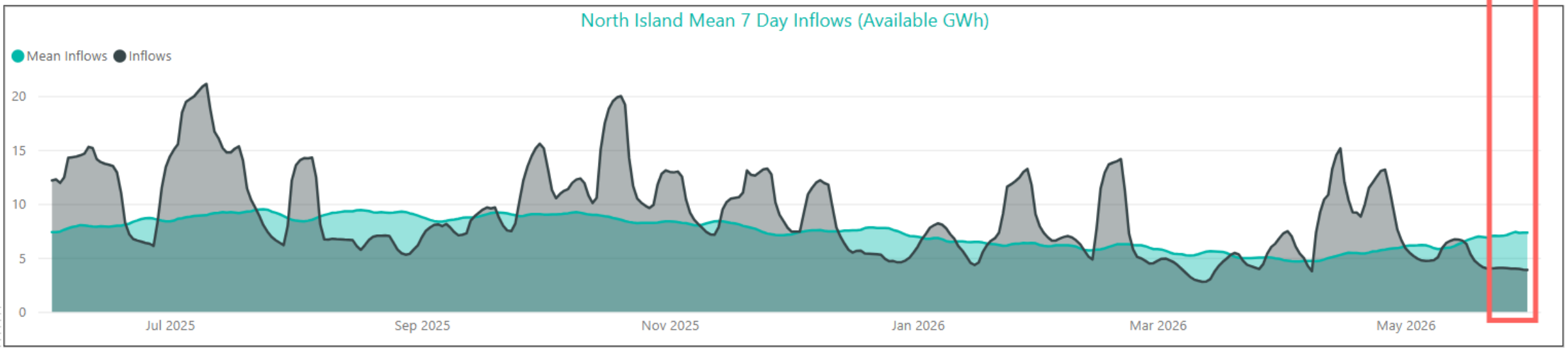




Lake	Storage (%)	Storage (GWh)	Historic Mean
Hāwea	108%	300.28	277.51
Manapōuri	52%	56.68	108.85
New Zealand	104%	3,410.38	3,271.59
Pūkaki	105%	1,934.44	1,837.51
South Island	100%	3,023.47	3,033.50
Taupō	163%	386.92	238.09
Te Anau	52%	107.91	207.19
Tekapo	104%	624.16	602.44

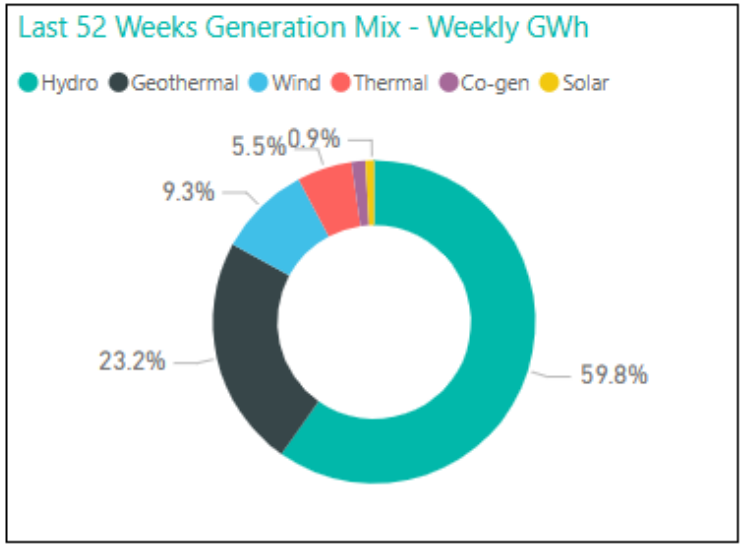
Hydro inflows

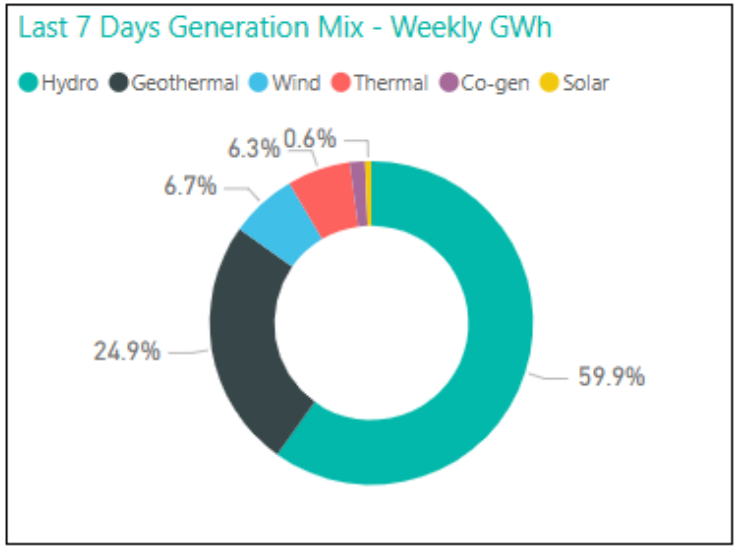


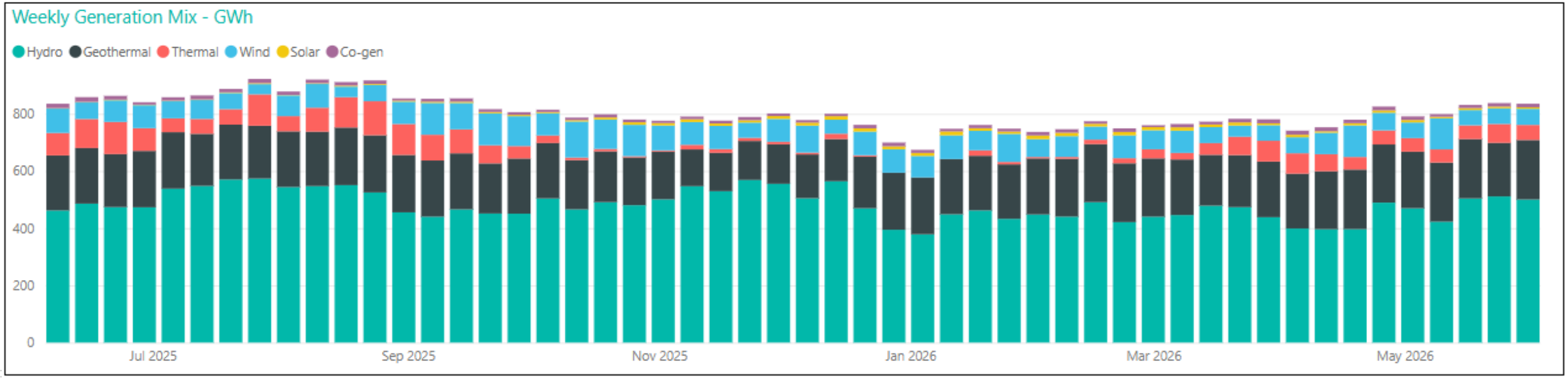


Generation mix

- Hydro generation at 60% of the mix – similar to yearly average
- Less than average wind generation at 7%
- Thermal generation at yearly average of 6%
- Geothermal remains above average at 25%

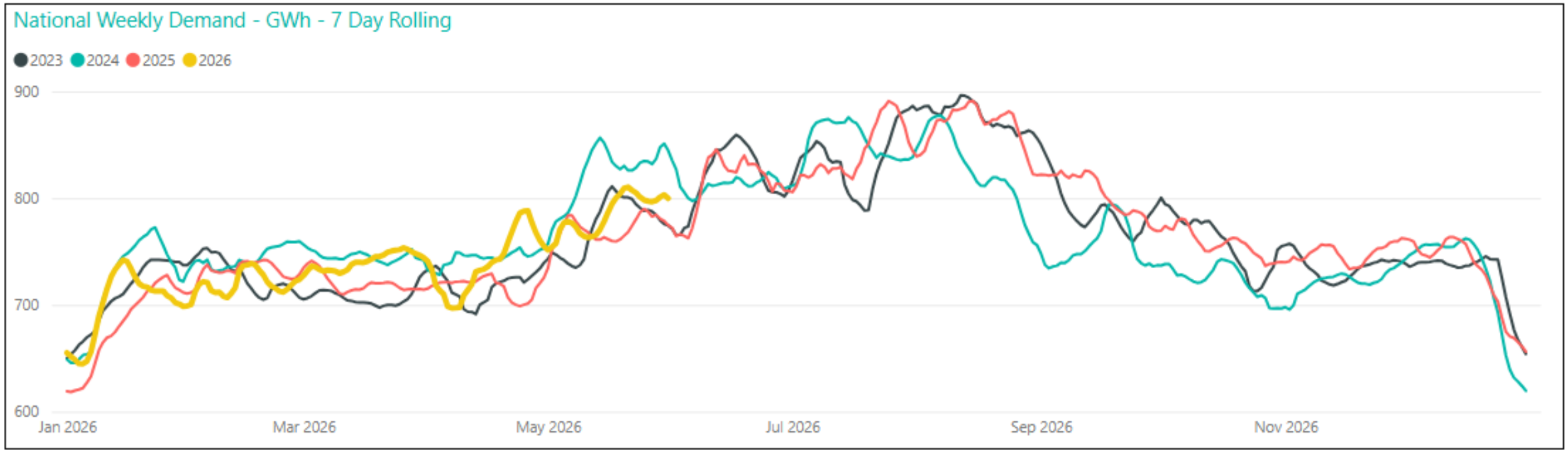






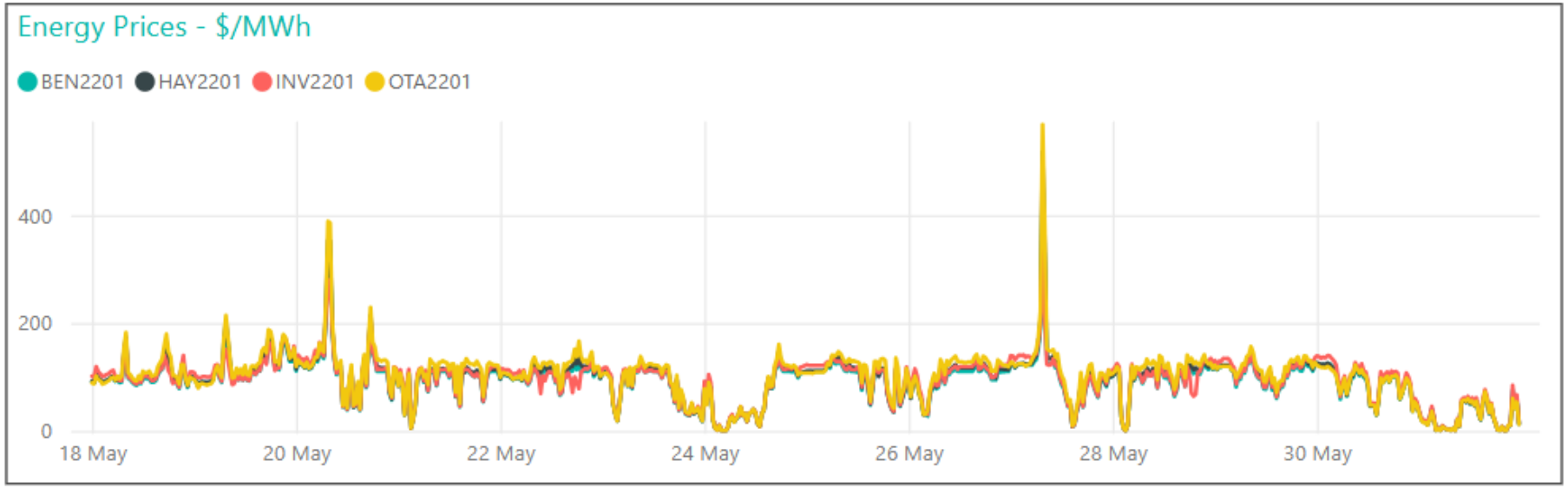
Demand

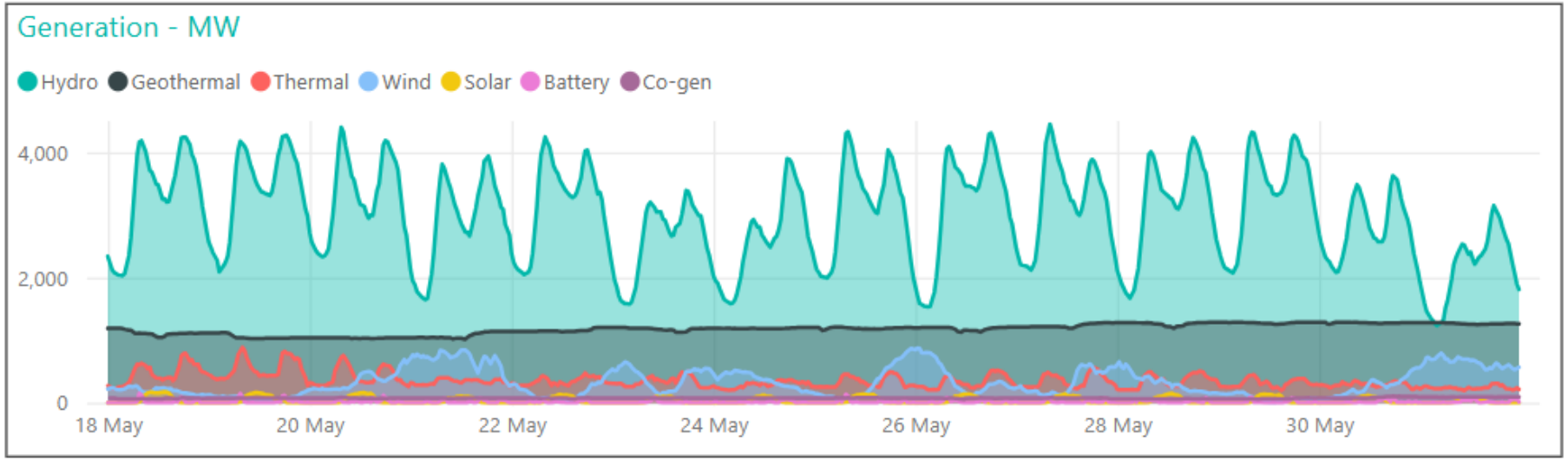
- Demand continues to increase with colder temperatures
- We are seeing tightening residual capacity periods due to demand increase, low wind and lower thermal commitment



Pricing

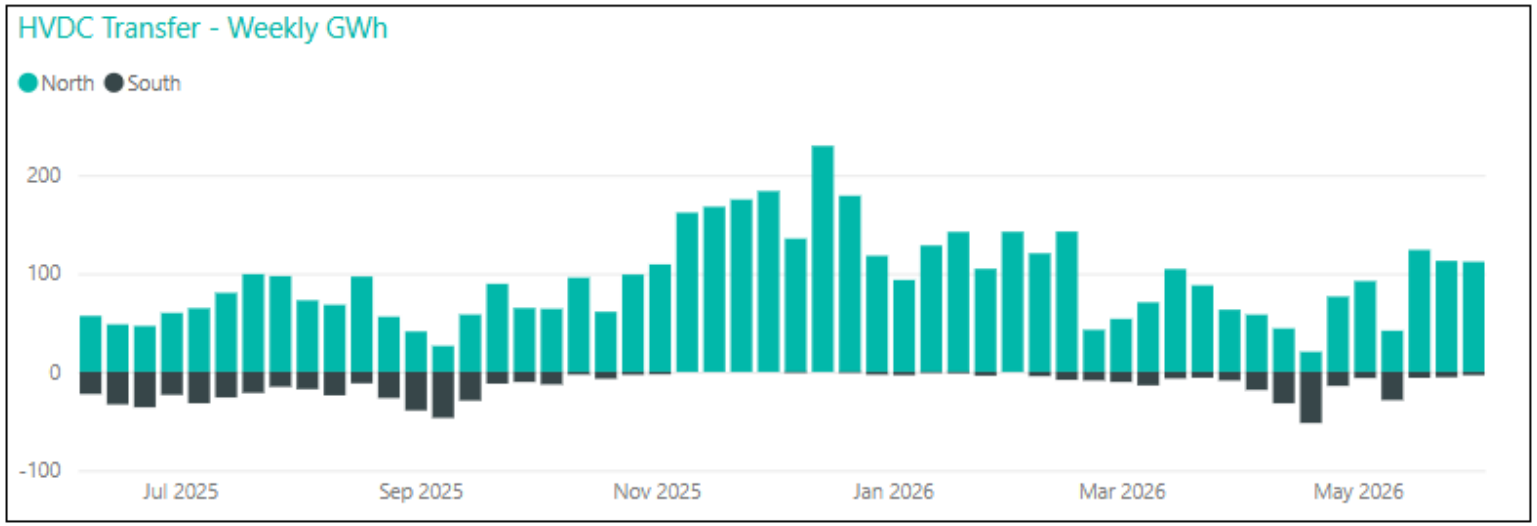
- Average price last week at Ōtāhuhu has decreased (but similar) to $98/MWh from $105/MWh the week prior
- Peak of $568/MWh at Ōtāhuhu at 7:30 am on 27 May during a high demand and low wind period
    - Resulted in slight inter-island price separation
- We begin to see consistent high demand periods (as expected in winter) resulting in thermal units being switched on

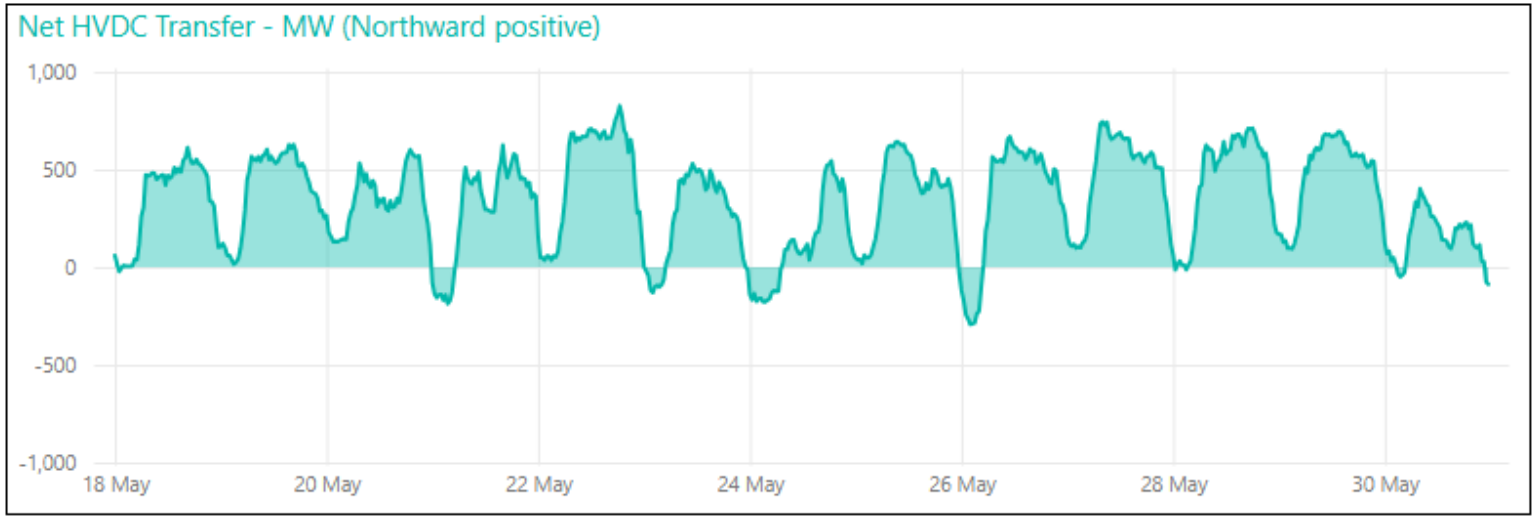




HVDC transfer

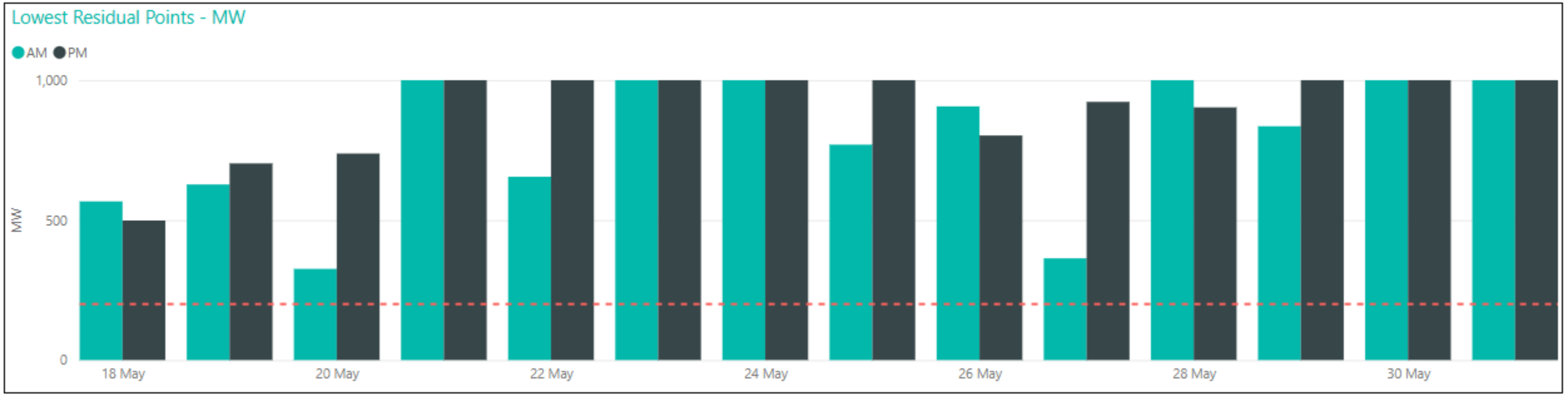
- HVDC transfer continues to be majority northward over the last two weeks
- In line with increasing demand periods and high hydro generation sending generation northwards





Capacity residual margins

- Some lower residual periods due to increasing demand, low wind generation periods and low thermal commitment
- We continue to monitor residual capacity as we move into winter

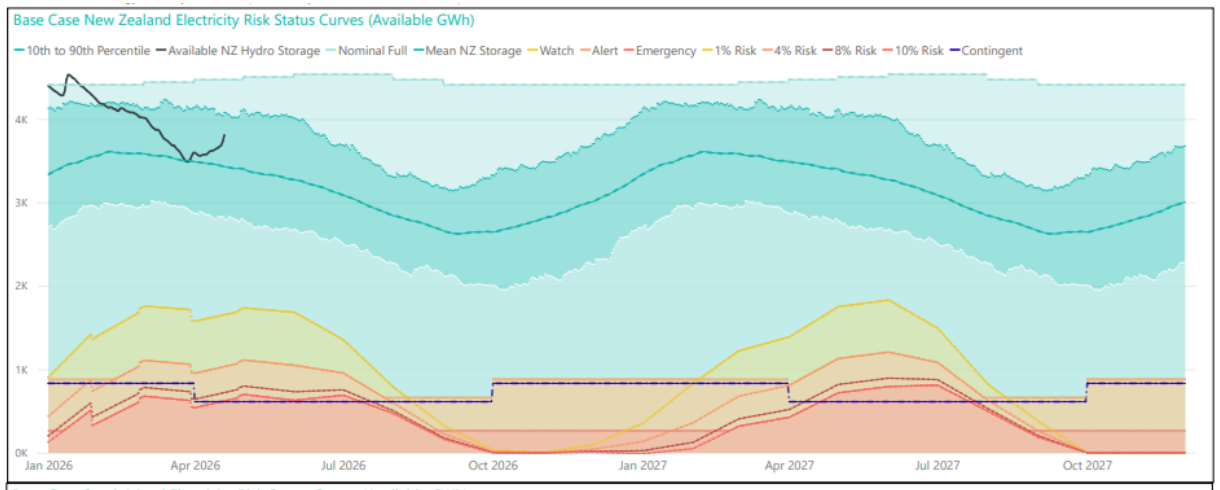


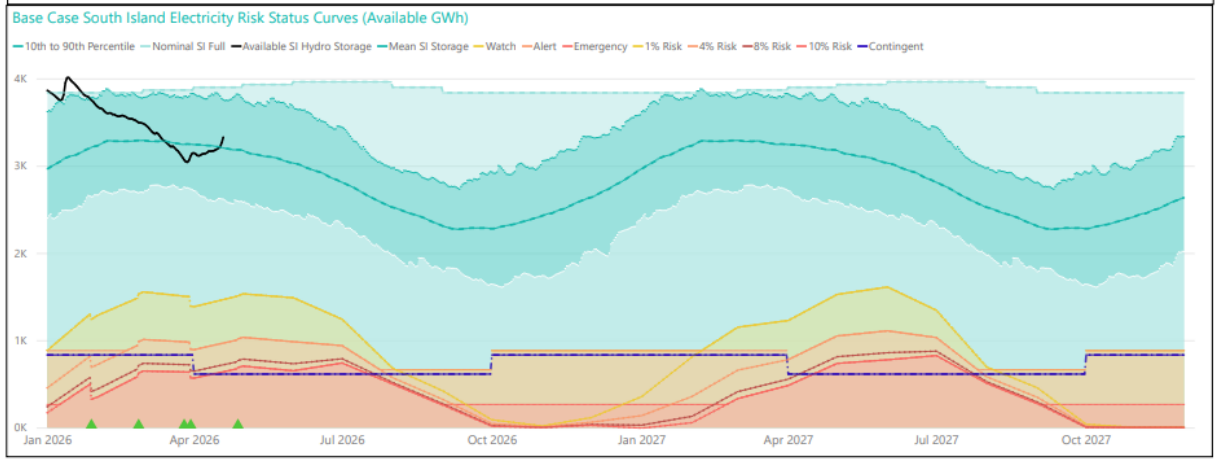
May Energy Security Outlook updates

May Energy Security Outlook: SOSFIP Updates

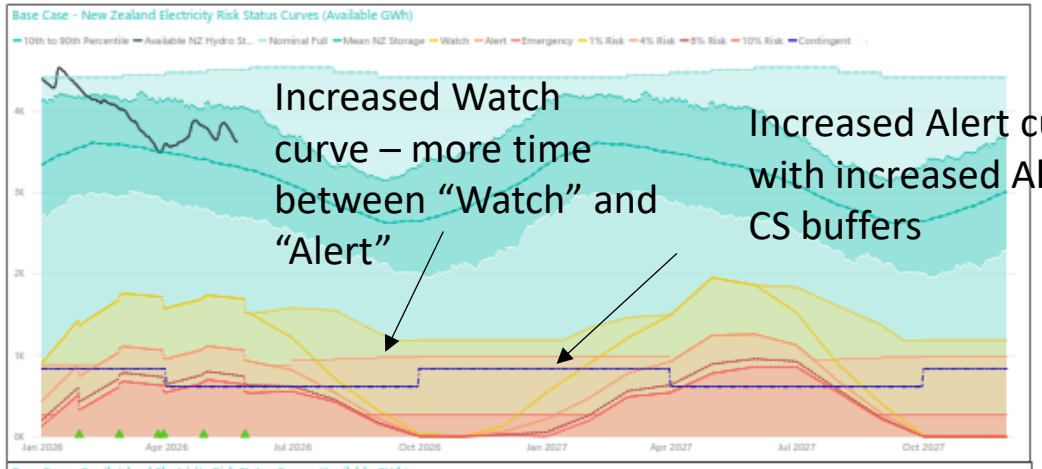
- May ESO published last week – Includes latest SOSFIP changes
- Update Watch curve to allow more time between “Watch” and “Alert”
  - Based on 1% risk but also largest simulated drop for that month (or 200 GWh) above Alert
  - More time for market to respond after Watch is triggered
- Update Alert contingent storage buffer
  - Increase from current 50 GWh to 153 GWh to 363 GWh
  - Accounts for operational constraints in Waiau and Tekapo catchments
- Removing restrictions on treatment of industrial gas demand response for increased electricity generation
- Add contracted ERCs and SSTs (in addition to physical – Status quo)
  - Enable the market to see the risk curves under physical limits vs contracted quantities
  - Better understand how much market could contract to reduce risks

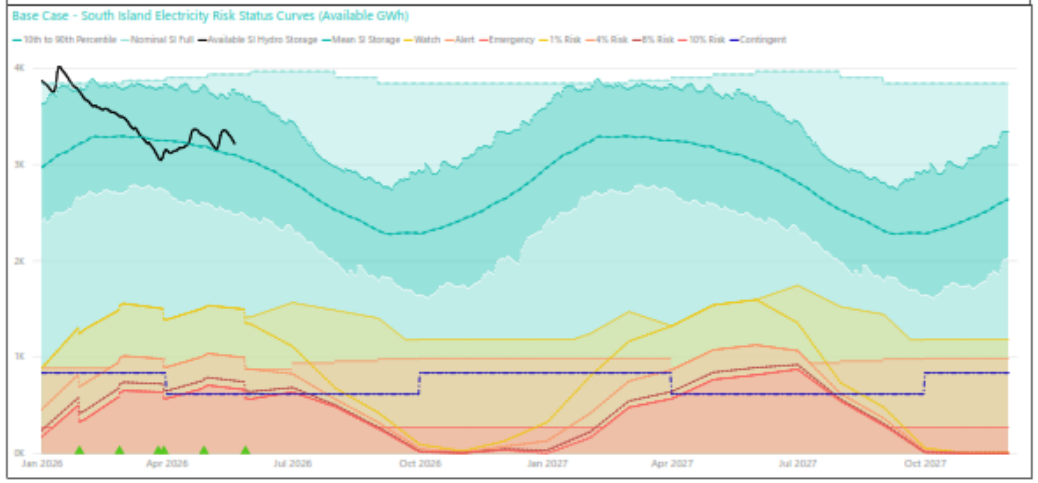
April ERCs



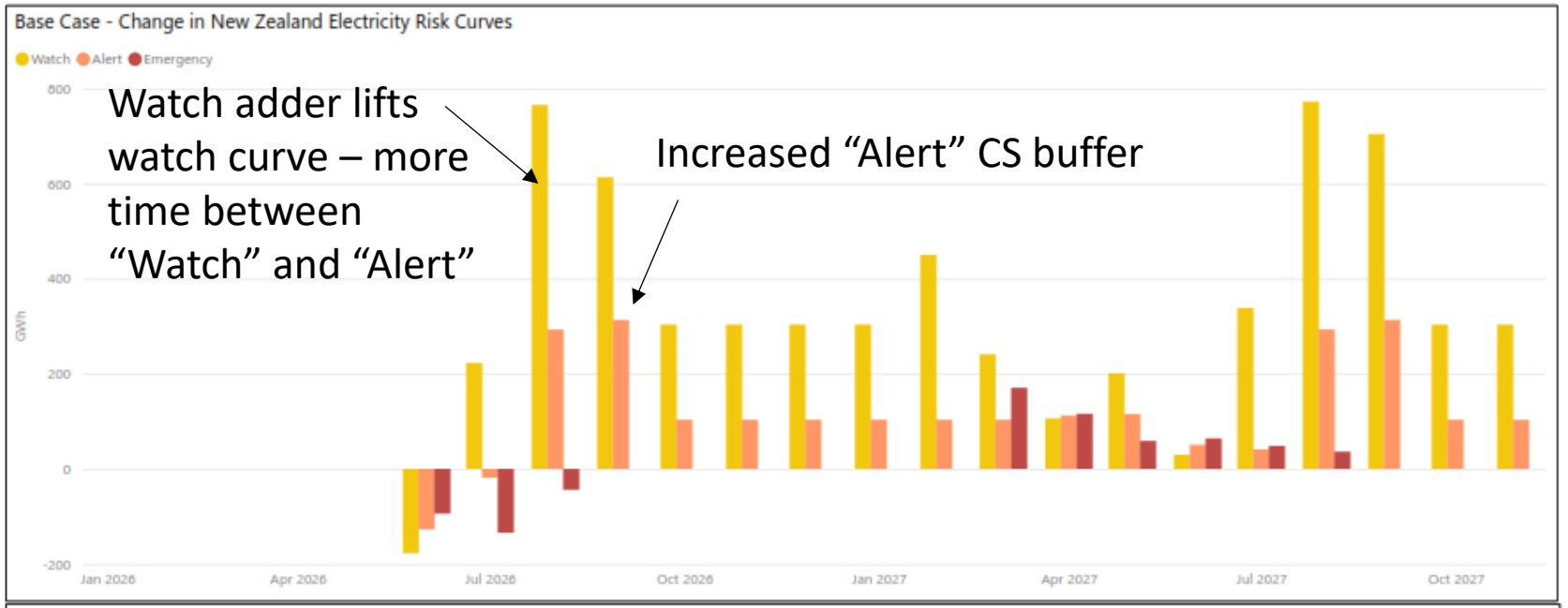


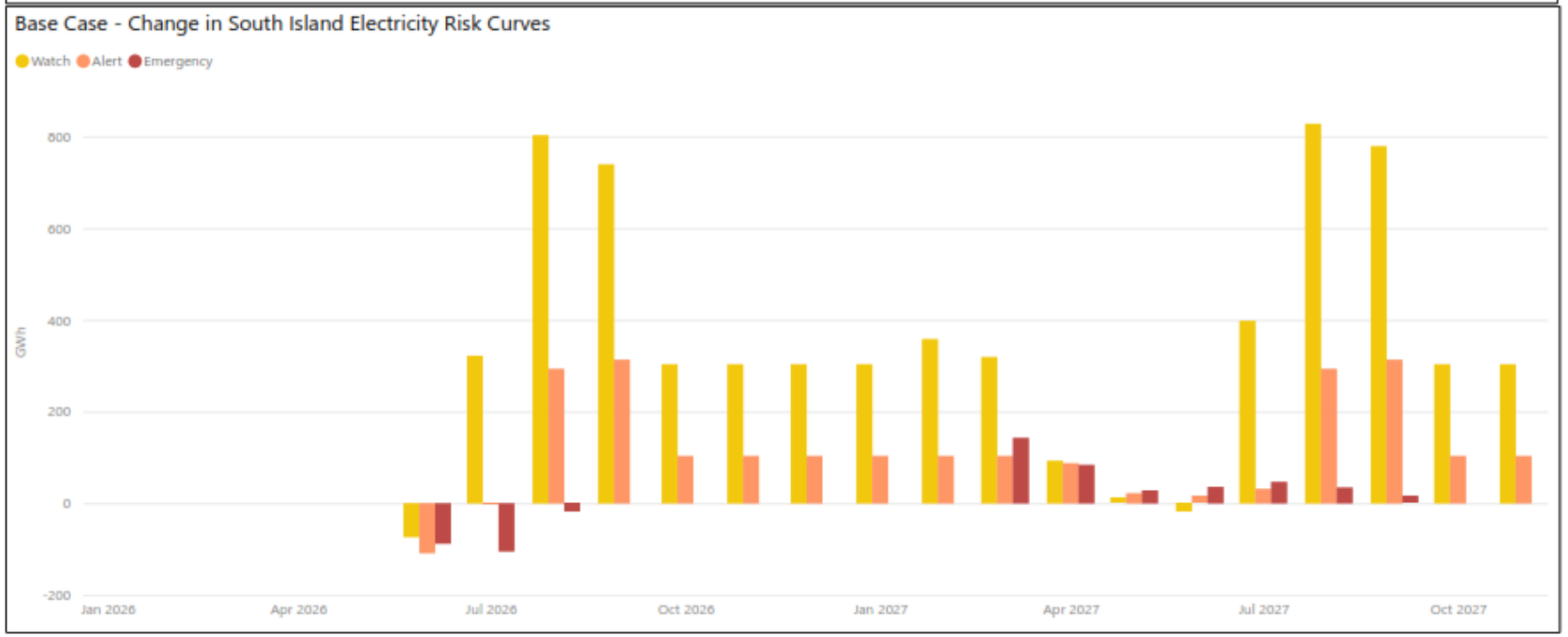
May ERCs



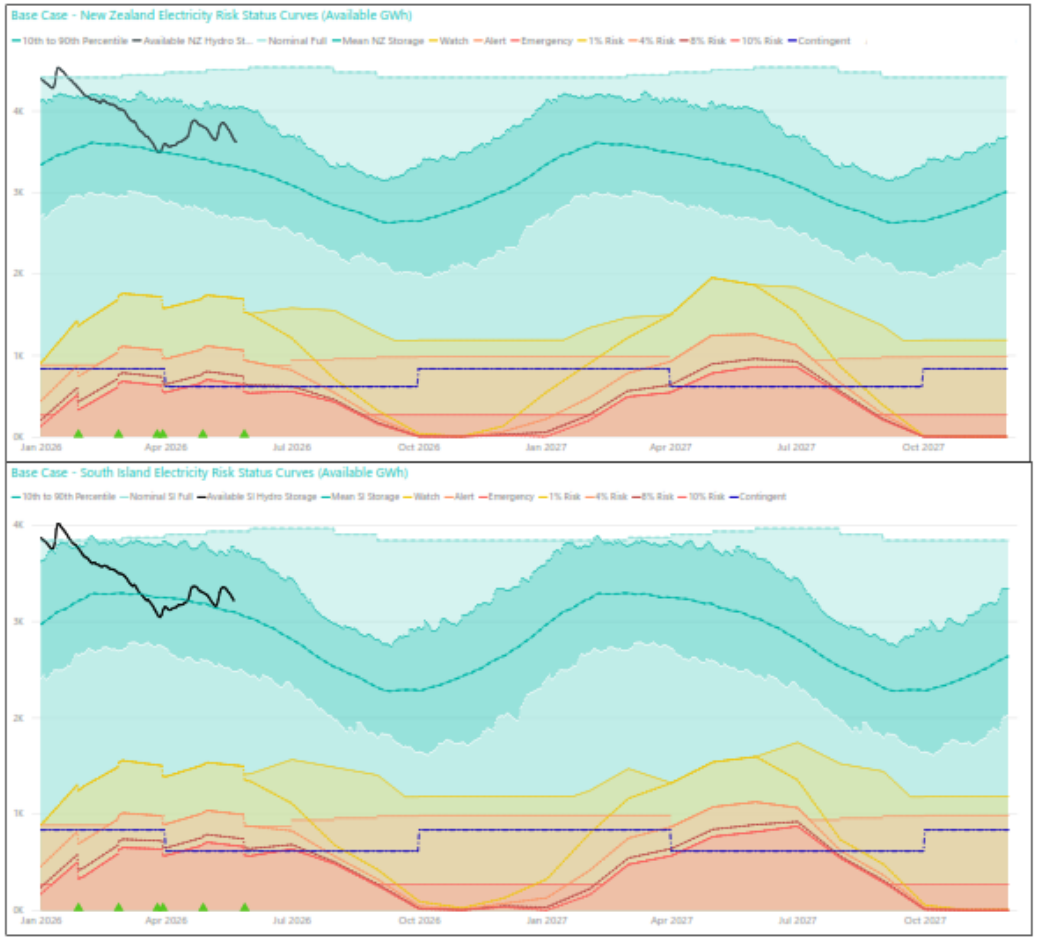


- Base case (Physical) Watch and Alert curves have increased relative to pre-SOSFIP
- Due to Watch adder and Alert CS buffer
- All else equal:
  - Trigger Watch and Alert at higher storage levels
  - Watch = increased SO reporting
  - Alert = Access to available CS

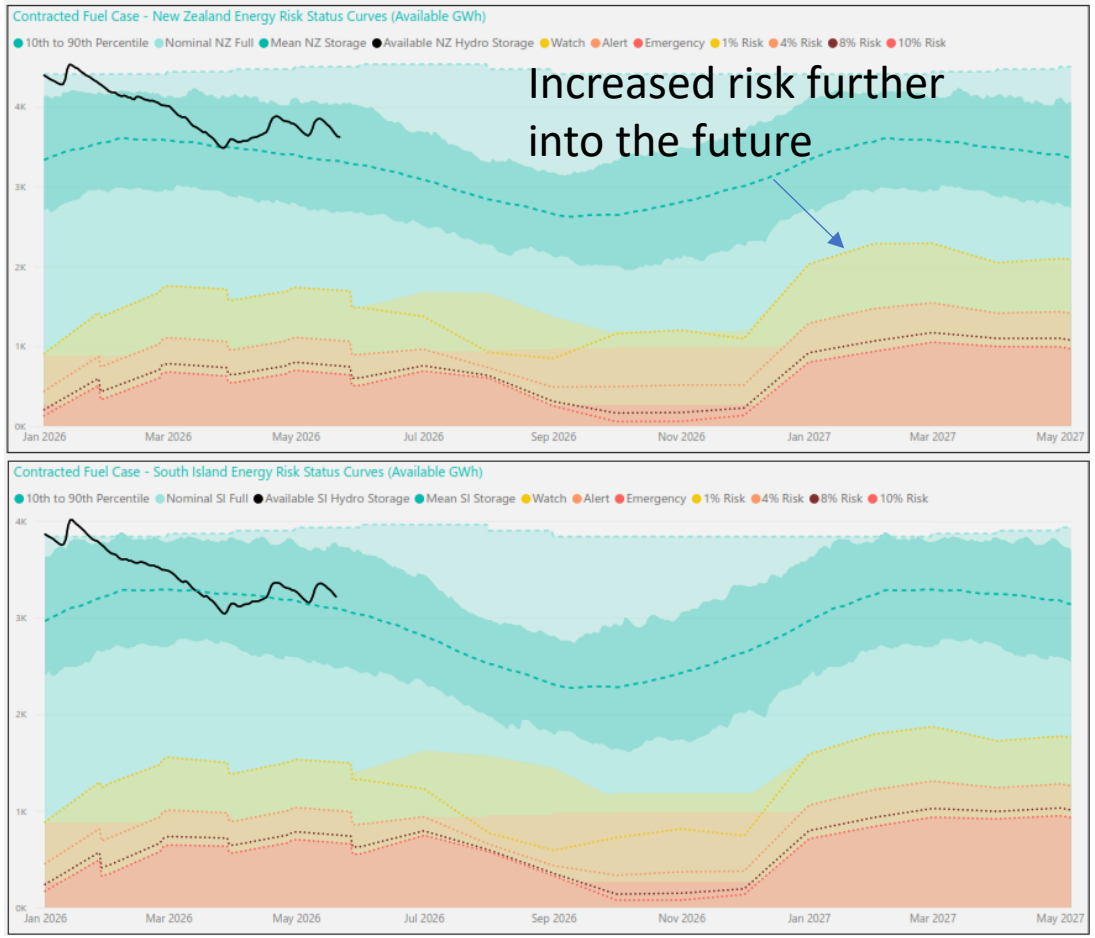




Physical ERCs



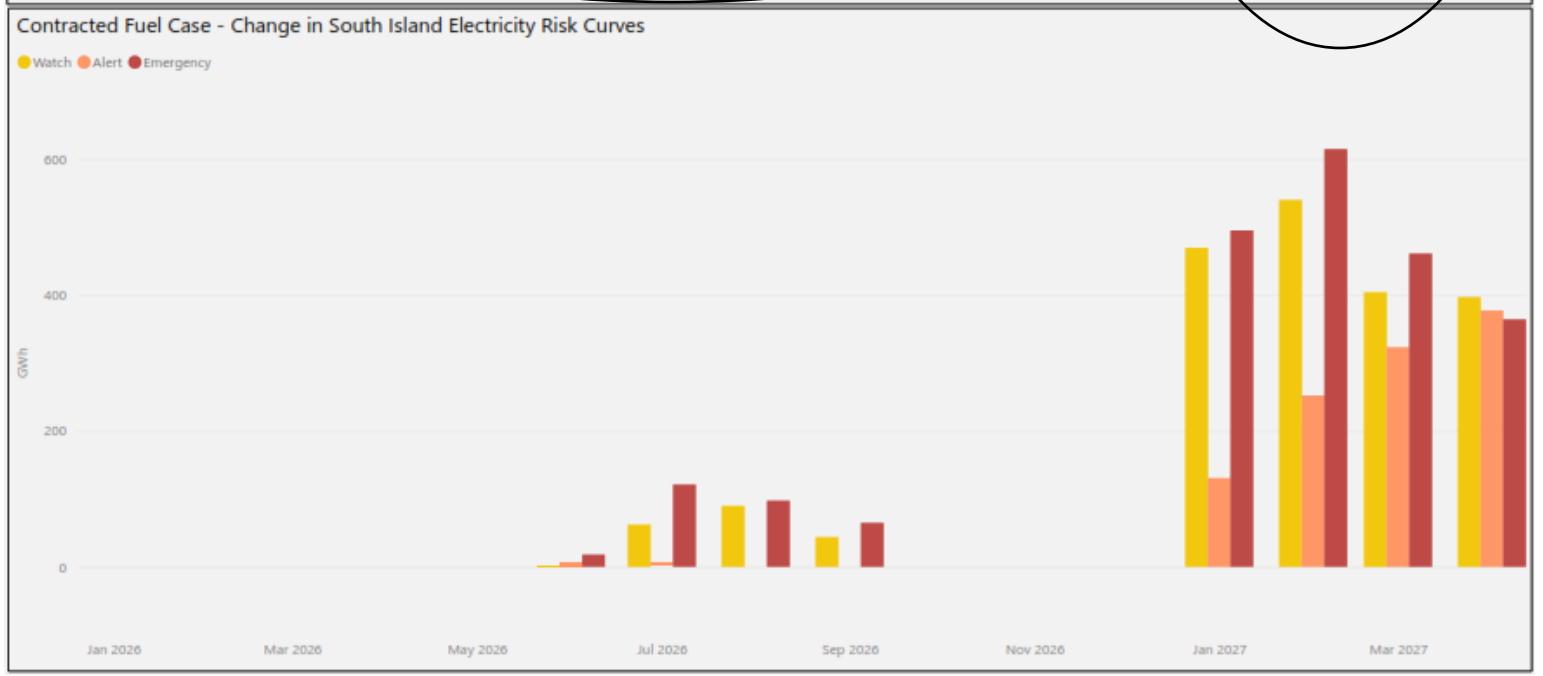
Contracted ERCs



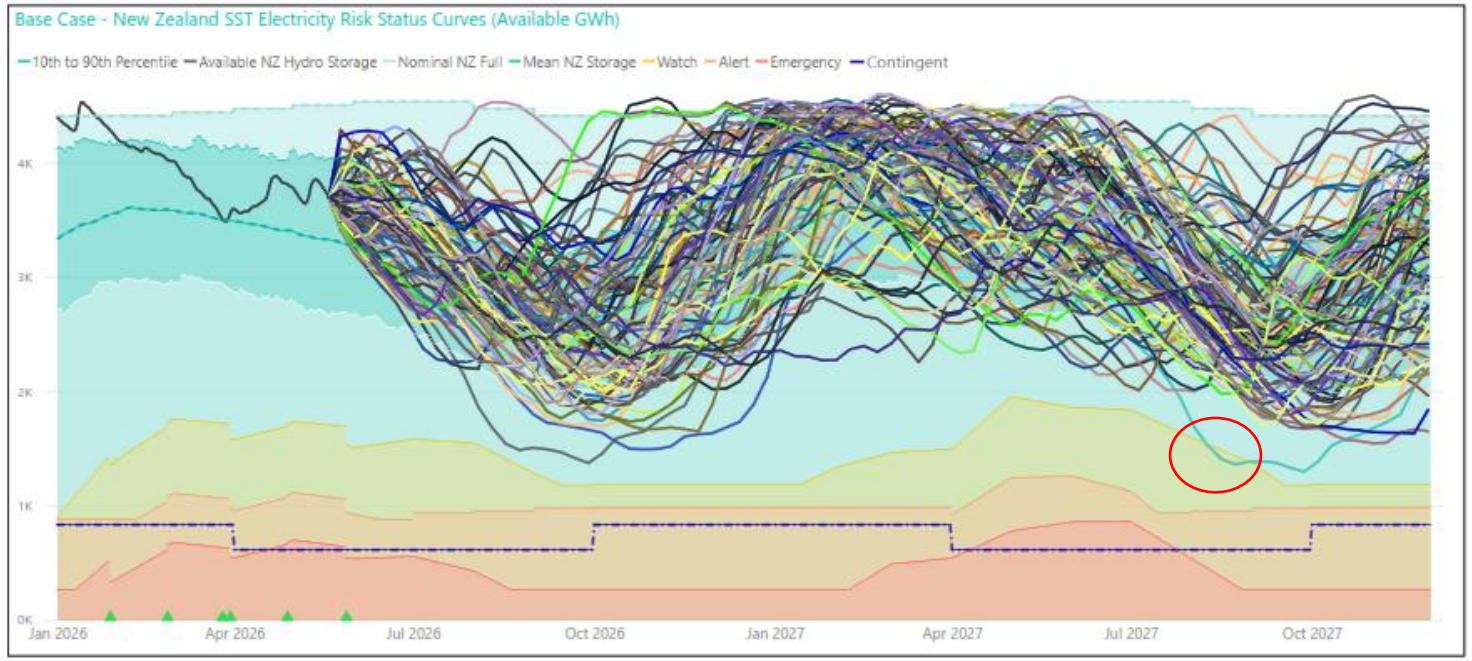
- Difference between Physical and contracted provides view of “available energy” to contract to reduce the risk curves

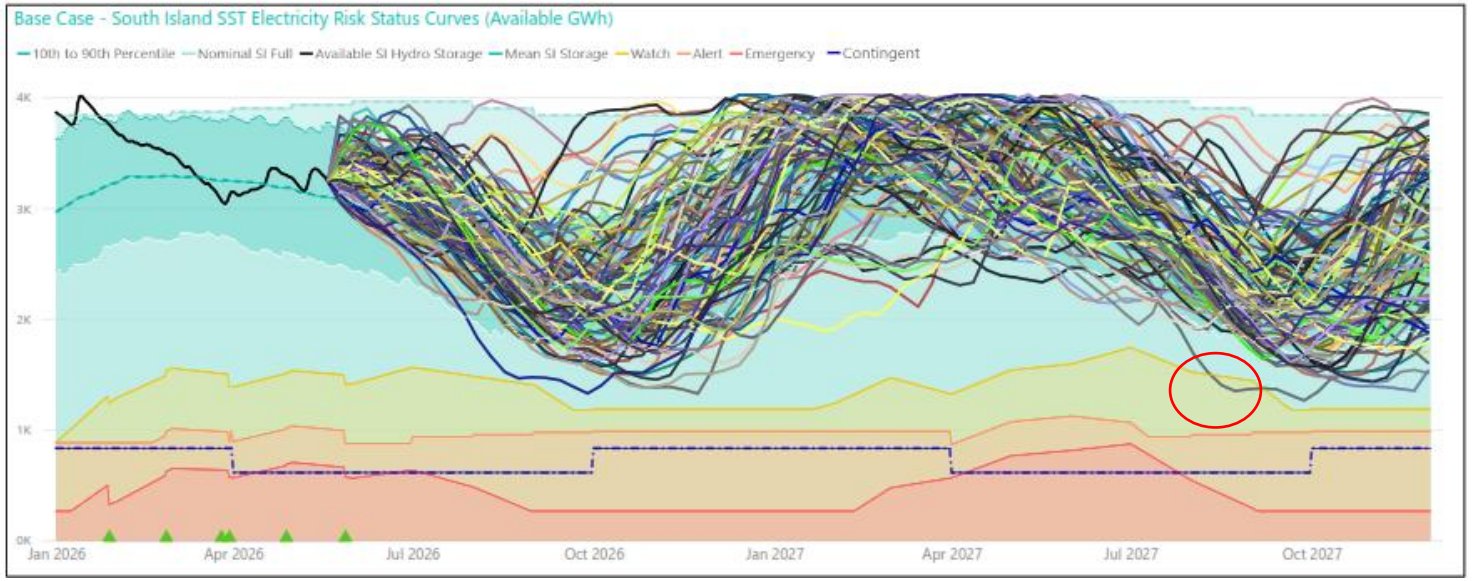
More ability to contract in 2027 to get closer to physical ERC

Contracted closer to physical in 2026. Still some thermal fuel contracting capability to reduce curves in 2026



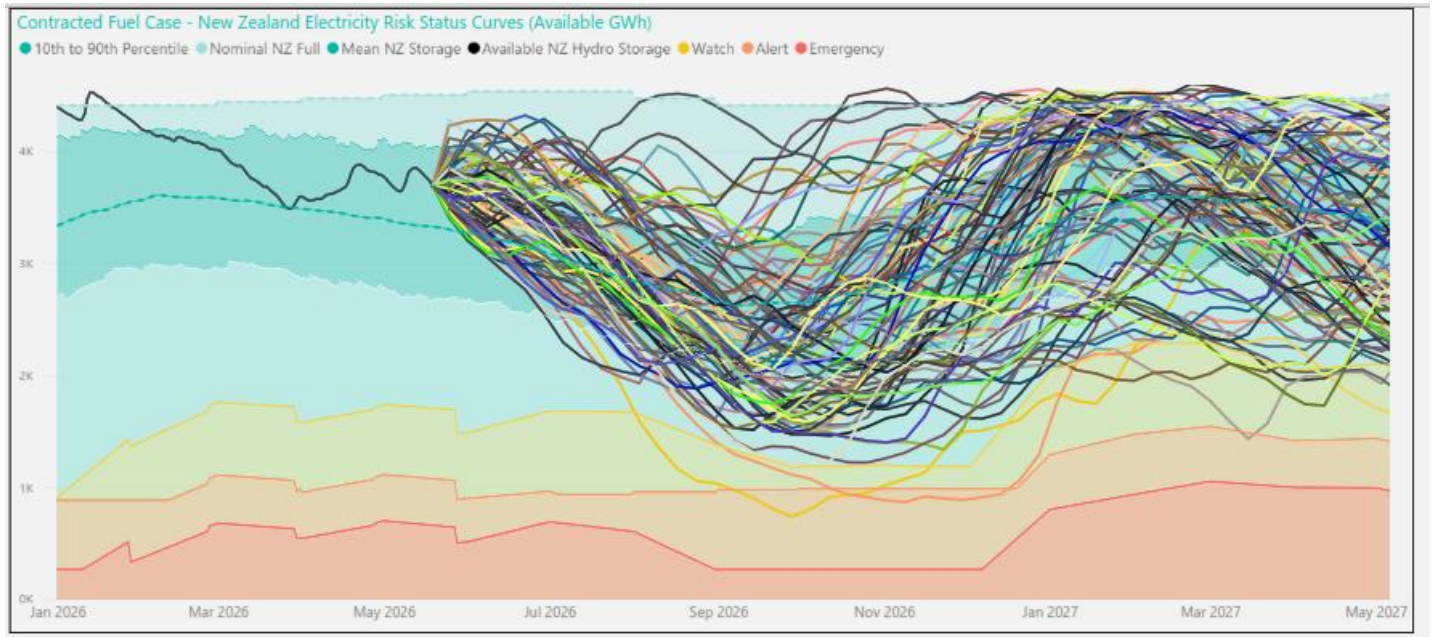
- **Physical:**
- Assumes market will procure additional fuel
- 1 SST crosses the Watch curve in 2027 for NZ and SI
- Low risk if market precures additional fuel if go into dry year

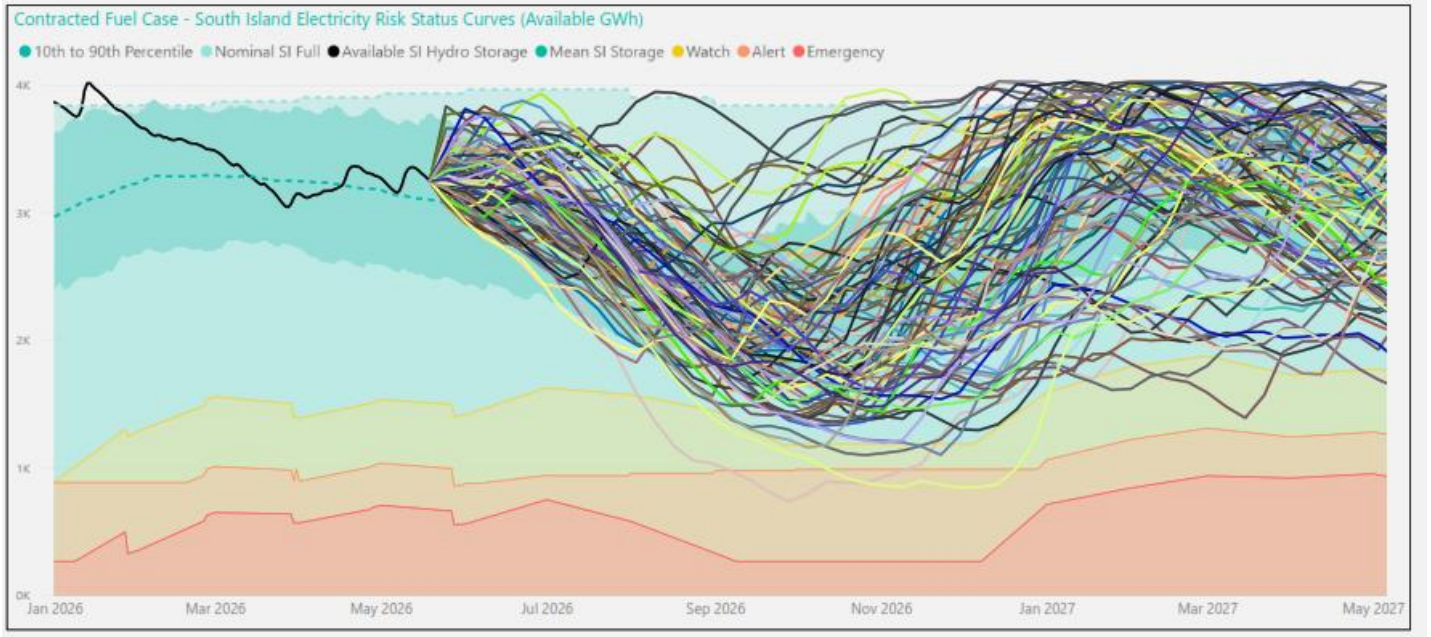




Contracted:

- 2 SST crosses the Alert curve in 2026 for NZ and SI
- Assumes market will NOT procure additional fuel than what is currently contracted
- Intentionally highlights the physical capacity that remains uncontracted, and the ability for additional contracting to reduce risks.
- This reinforces that contracted positions require continuous updating to provide ongoing security of supply cover.

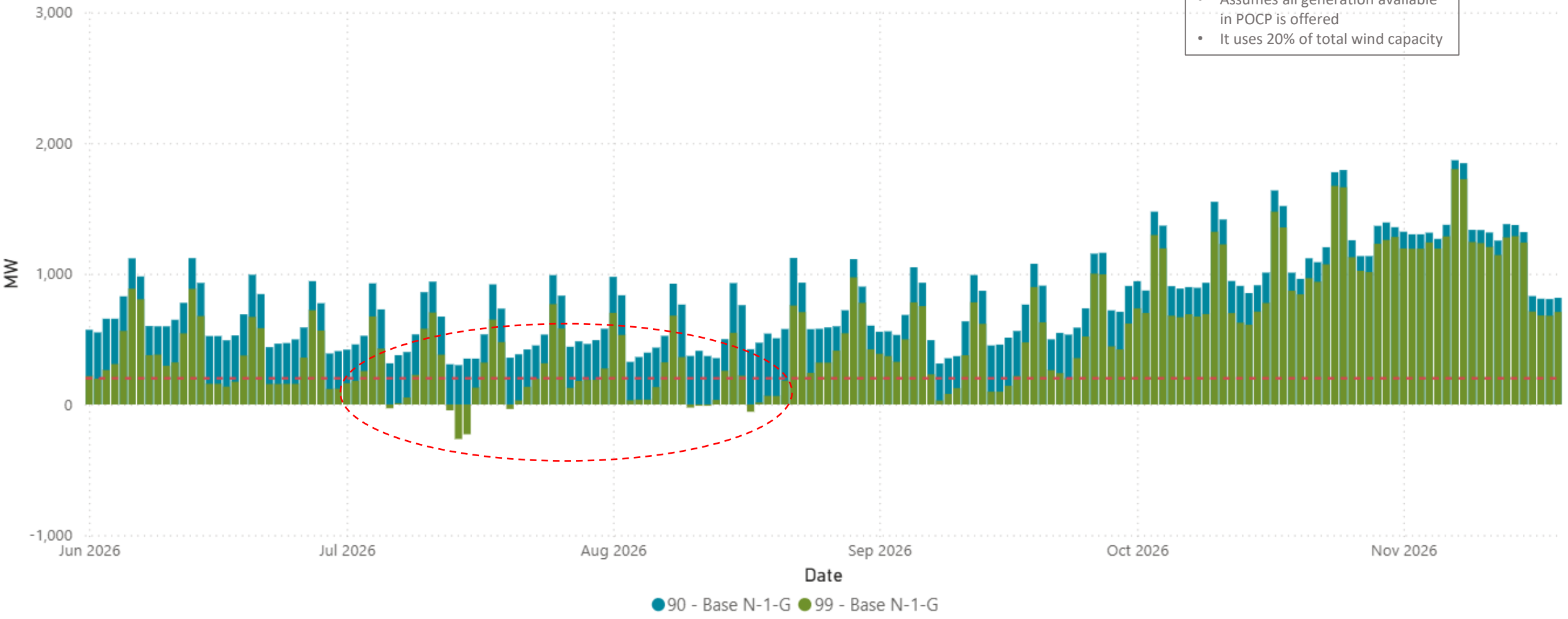




NZGB update

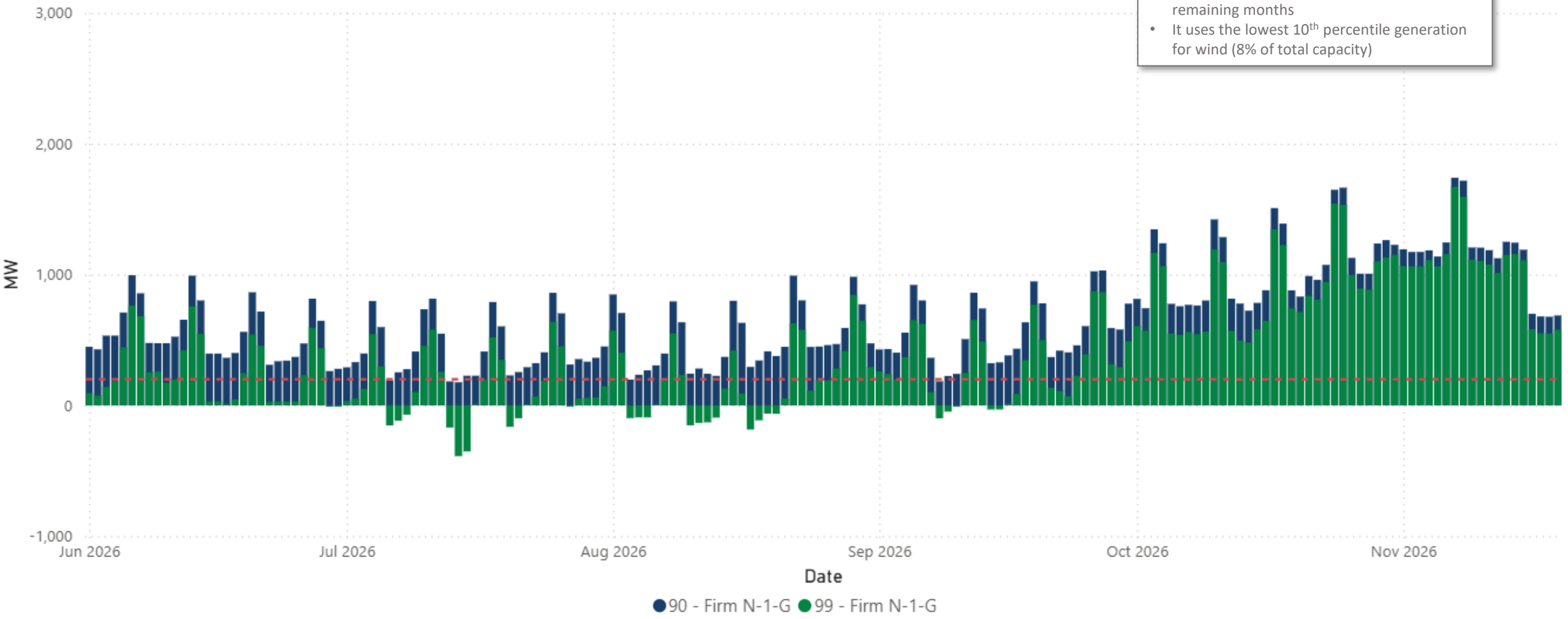
NZGB update: base capacity N-1-G

Base case capacity at 90%
- ***This triggers the CAN process***
- Assumes all generation available in POCP is offered
- It uses 20% of total wind capacity

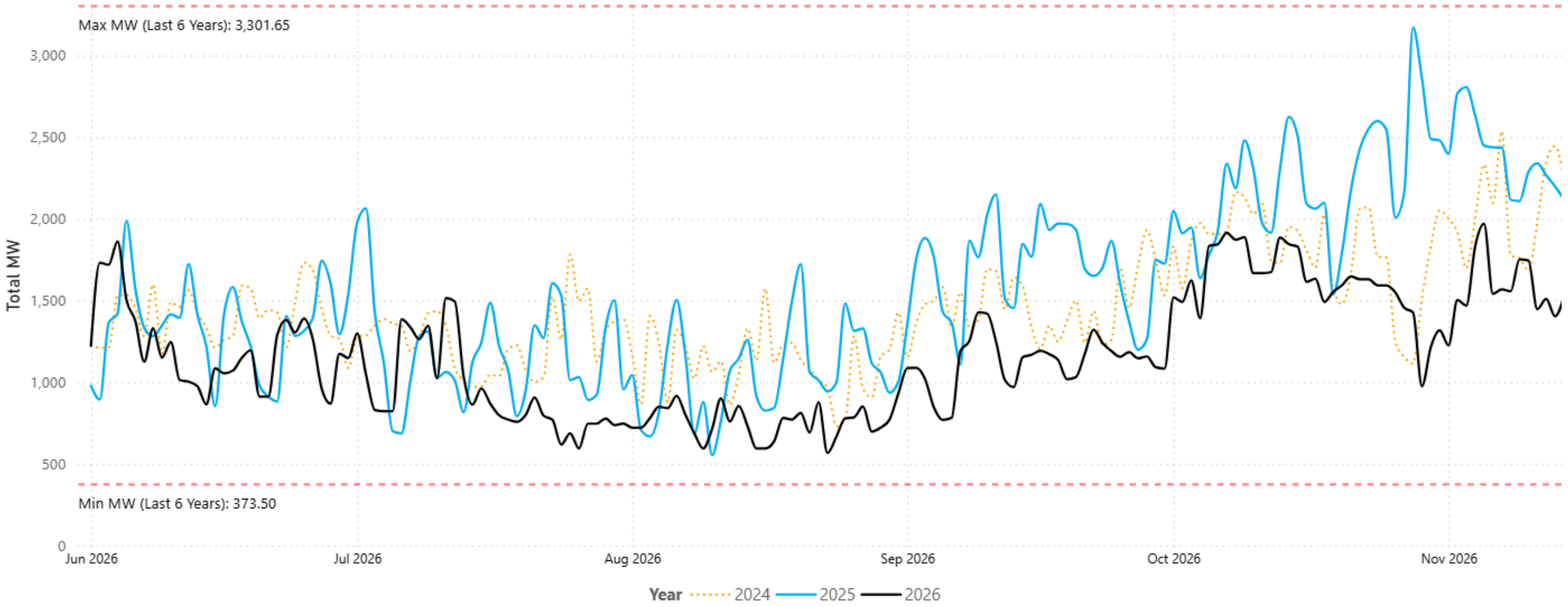


NZGB update: firm capacity only N-1-G

Firm capacity removes
- 1 HLY Rankine over winter months June to November, and 2 Rankines over the remaining months
- It uses the lowest 10th percentile generation for wind (8% of total capacity)



POCP Generation Outages



Mean Difference (2025/2026)

-408.20 MW

Mean % Difference (2025/2026)

-21.56%

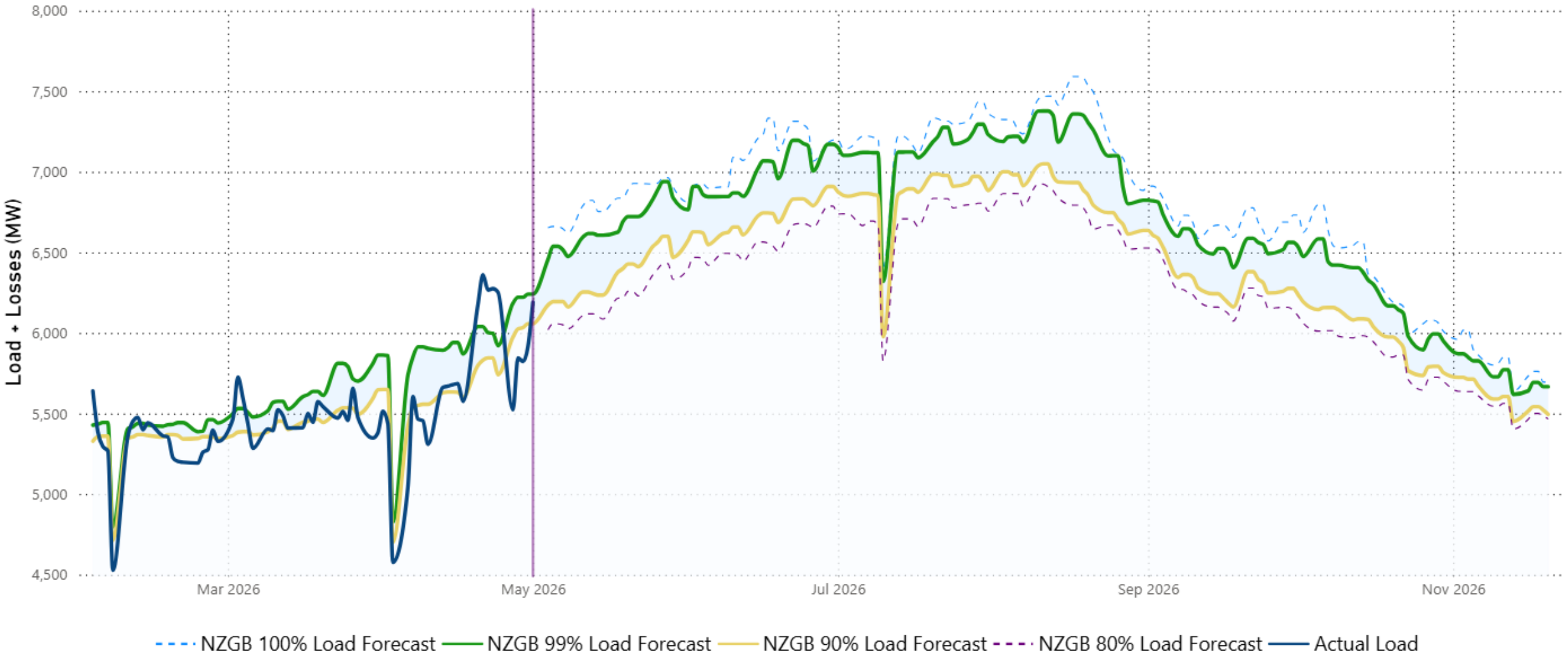
Date

1/06/2026 14/11/2026

Year

2024
2025
2026

Peak Load vs Forecast



Outages next 4 weeks

Outages

NNI outages

SNI outages

SI outages

Asset owners:

- Check in POCP for detailed dates
- Consider the impact on your own outages

NNI Outages

Week of 8 June

- EDG_T5
- EDG_KAW_3
- HLY_OHW_1
- DRY_TAK_OTA_2
- HEP_ROS_2 (2 months)

Week of 15 June

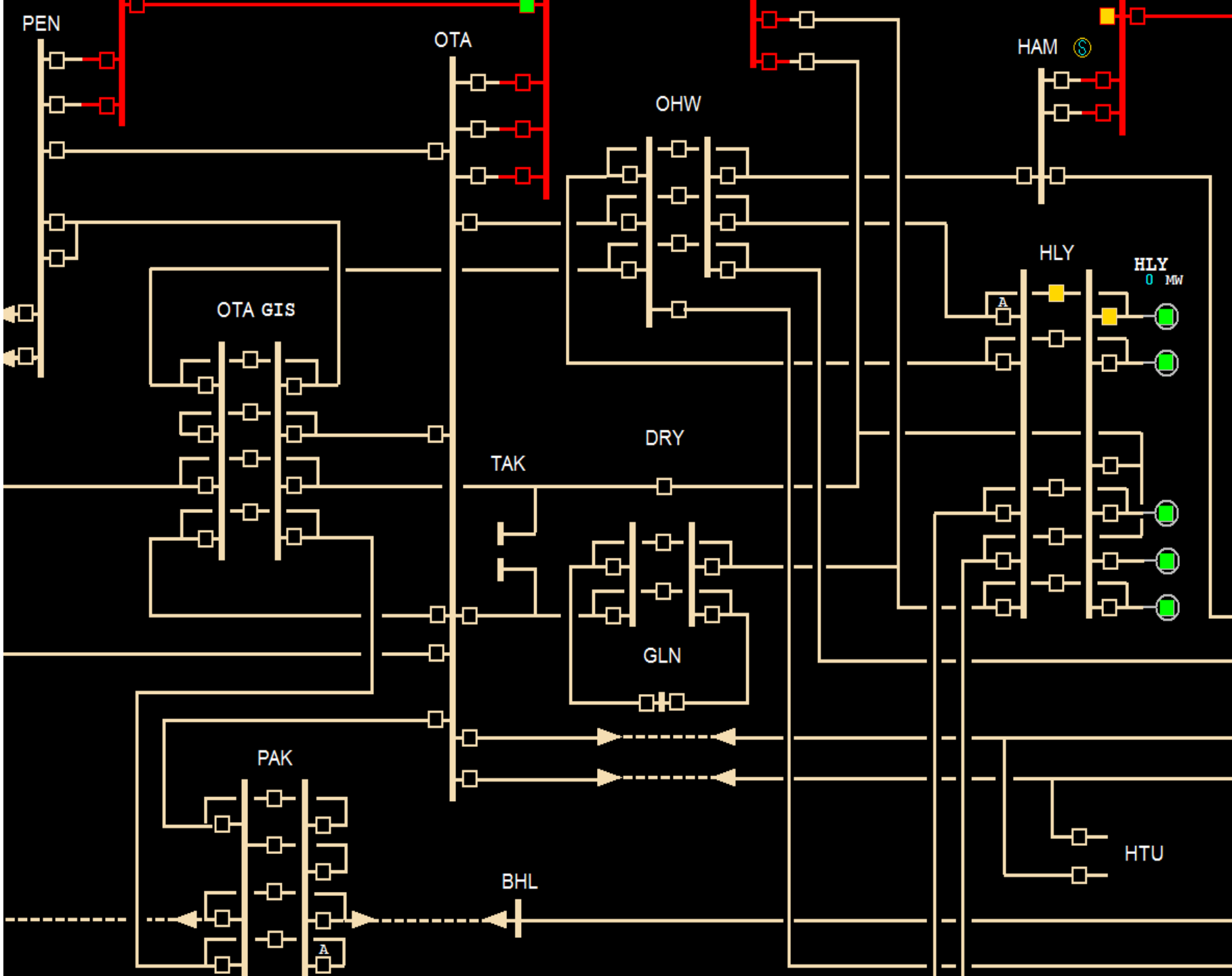
- EDG_T5
- HEP_ROS_2 / MNG_ROS_2
- HOB_WRD_1
- DRY_TAK_OTA_2
- OHW_WKM_1
- KMO_TRK_2 / KMO_TMI_1

Week of 22 June

- EDG_T5
- HEP_ROS_2
- HOB_WRD_1
- DRY_TAK_OTA_2
- MDN_T5

Week of 29 June

- EDG_T5
- HEP_ROS_2
- HOB_WRD_1
- DRY_TAK_OTA_2



SNI Outages

Week of 8 June

- HLY_SFD_1
- BRK_SFD_3 then BRK_SFD_1
- MGM_MST_1

Week of 15 June

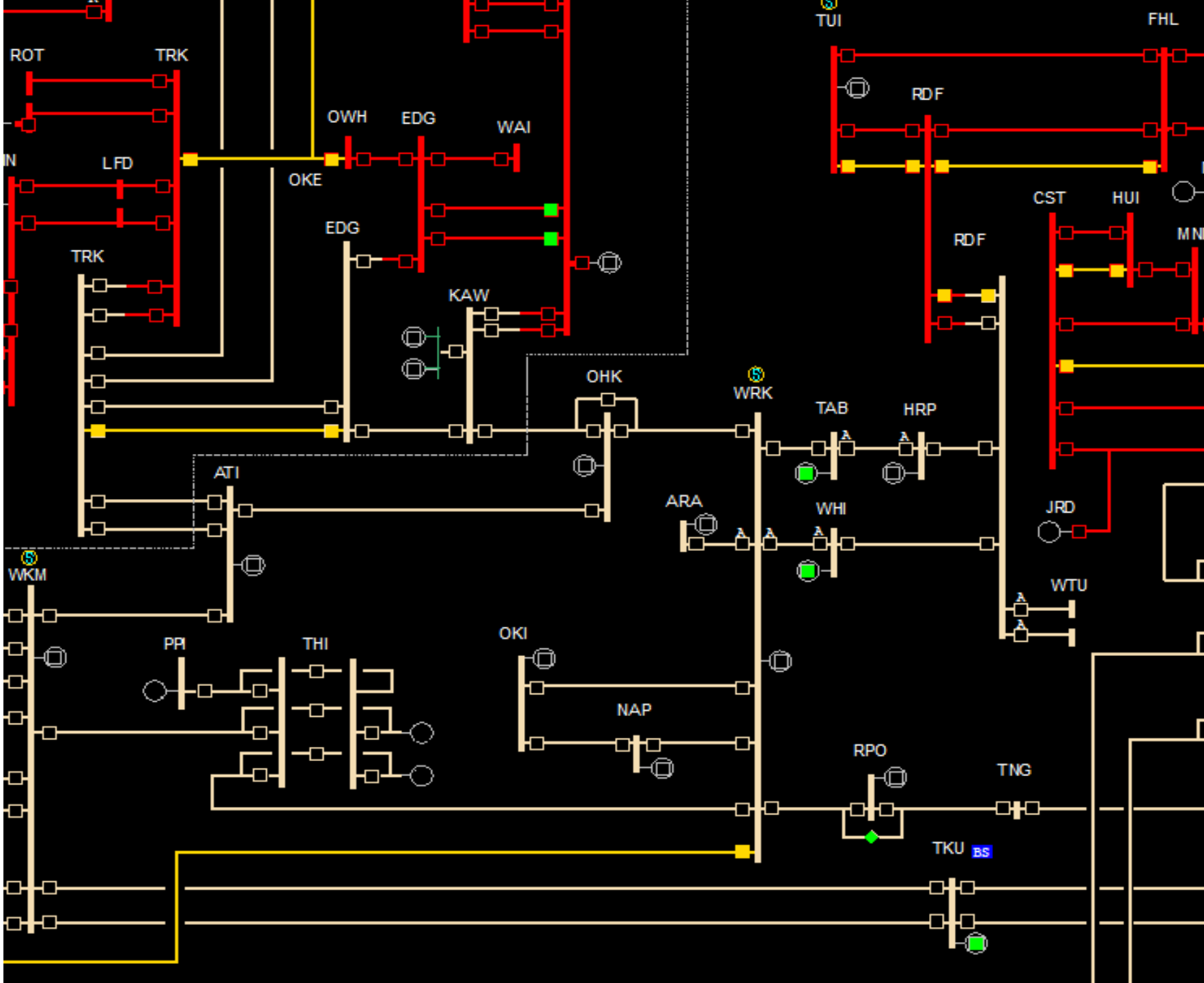
- BRK_SFD_1

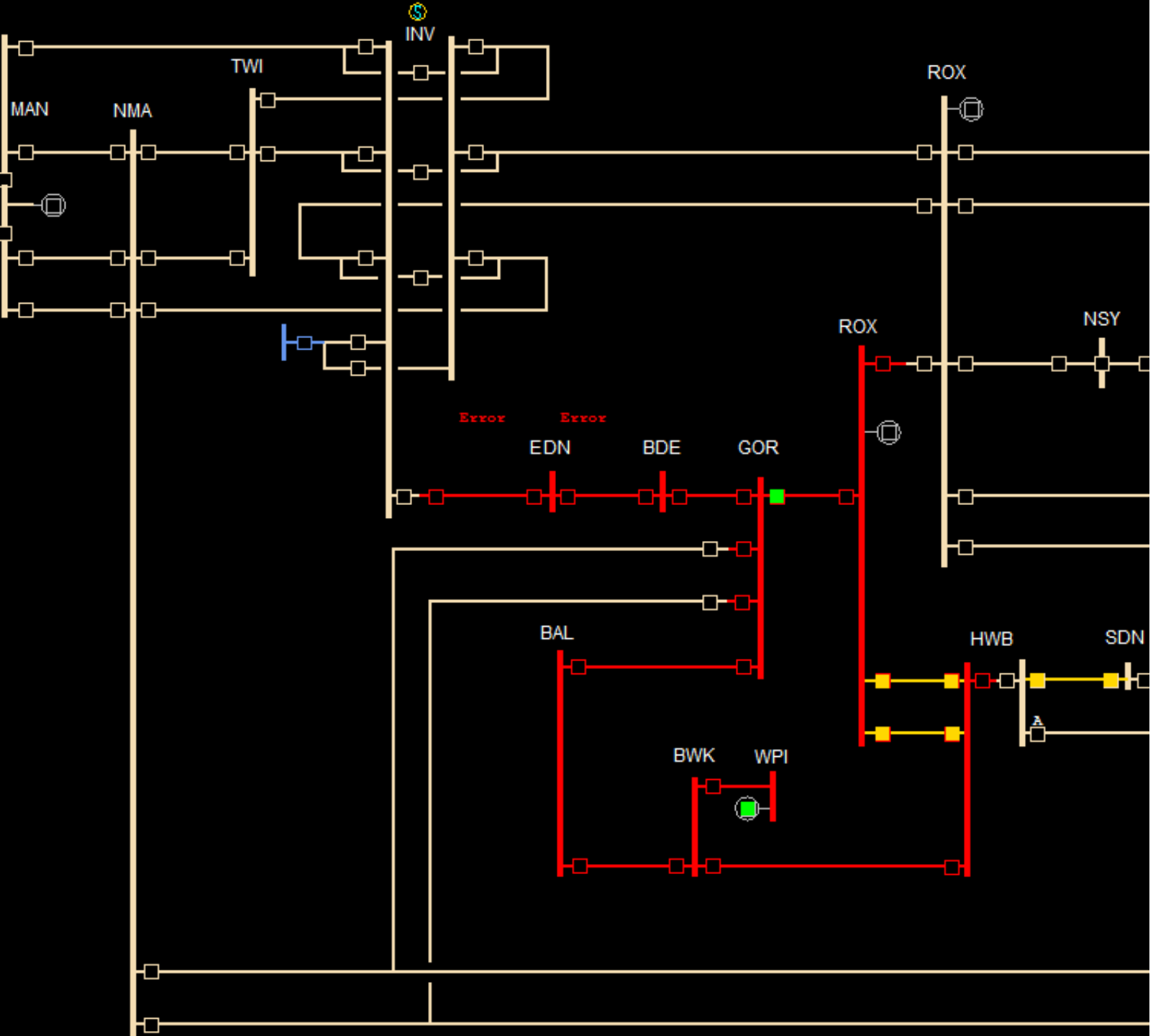
Week of 22 June

- BPE_PRM_HAY_1
- OHG Commissioning
- HWA_OHG_1

Week of 29 June

- HWA_OHG_1





SI Outages

Week of 8 June

- NMA_TWI_1
- BDE_GOR_1
- STU_TIM_1
- HOR_KBY_ISL_1 (2 weeks)

Week of 15 June

- NMA_TWI_2
- BDE_EDN_1
- HOR_KBY_ISL_1 with HOR_KBY_ISL_2

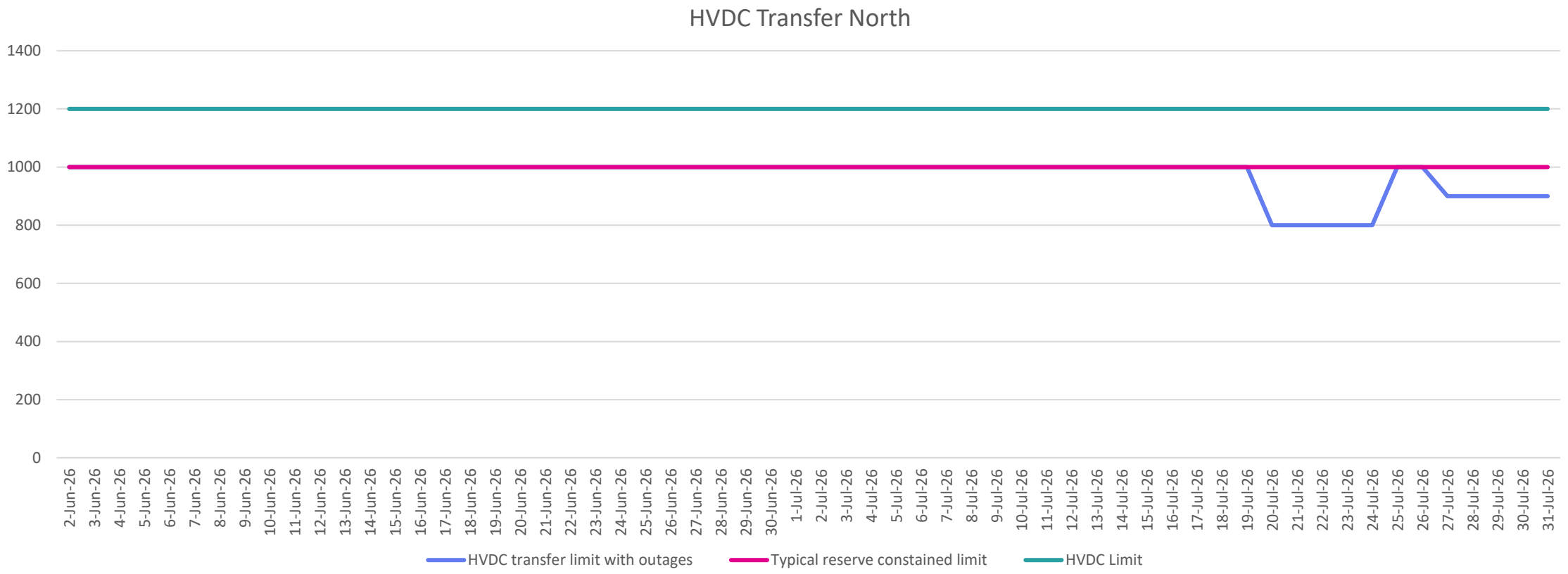
Week of 22 June

- NMA_TWI_2
- EDN_INV_1
- HOR_KBY_ISL_2 (2 weeks)
- HOR_KBY_ISL_1 with HOR_KBY_ISL_2

Week of 29 June

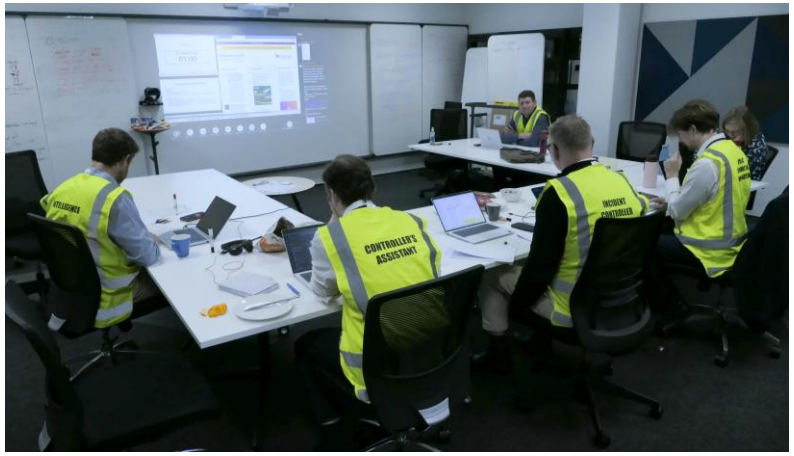
- HOR_KBY_ISL_2
- HOR_KBY_ISL_1 with HOR_KBY_ISL_2

HVDC North transfer limit



Operational update

Industry Exercise – Thank you!



Manapōuri stability constraint update

Updated Manapōuri stability constraint

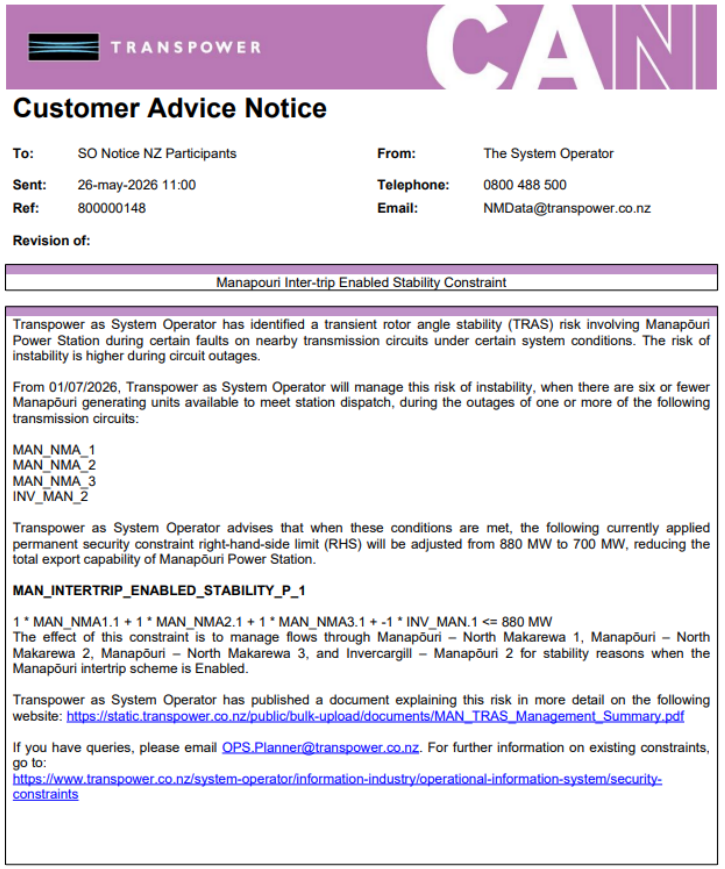
From 1 July 2026, Manapōuri Power Station will be limited to 700 MW export during outages of the Manapōuri transmission circuits when there are six or fewer Manapōuri units available.

This is to manage the risk of transient instability, as identified in the System Security Forecast in 2024.

This risk is higher during circuit outages.

Further detail is available on the Transpower website.

Please contact power_systems_engineering@transpower.co.nz with any questions.



TRANSPOWER CAN

Customer Advice Notice

To:	SO Notice NZ Participants	**From:**	The System Operator
Sent:	26-may-2026 11:00	**Telephone:**	0800 488 500
Ref:	800000148	**Email:**	NMData@transpower.co.nz

Revision of:

Manapouri Inter-trip Enabled Stability Constraint

Transpower as System Operator has identified a transient rotor angle stability (TRAS) risk involving Manapōuri Power Station during certain faults on nearby transmission circuits under certain system conditions. The risk of instability is higher during circuit outages.

From 01/07/2026, Transpower as System Operator will manage this risk of instability, when there are six or fewer Manapōuri generating units available to meet station dispatch, during the outages of one or more of the following transmission circuits:

MAN_NMA_1
MAN_NMA_2
MAN_NMA_3
INV_MAN_2

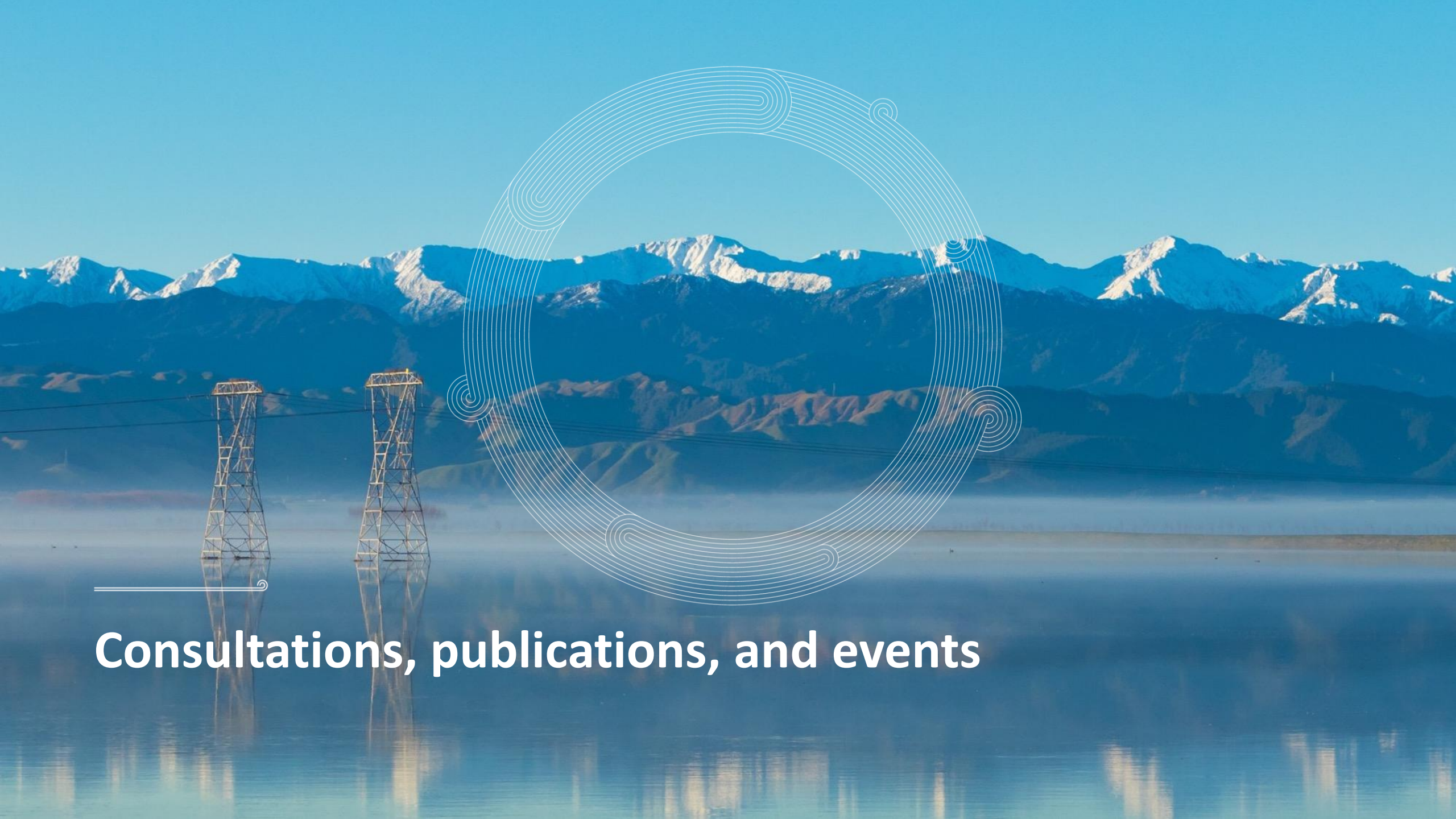
Transpower as System Operator advises that when these conditions are met, the following currently applied permanent security constraint right-hand-side limit (RHS) will be adjusted from 880 MW to 700 MW, reducing the total export capability of Manapōuri Power Station.

MAN_INTERTRIP_ENABLED_STABILITY_P_1

1 * MAN_NMA1.1 + 1 * MAN_NMA2.1 + 1 * MAN_NMA3.1 + -1 * INV_MAN.1 <= 880 MW
The effect of this constraint is to manage flows through Manapōuri – North Makarewa 1, Manapōuri – North Makarewa 2, Manapōuri – North Makarewa 3, and Invercargill – Manapōuri 2 for stability reasons when the Manapōuri intertrip scheme is Enabled.

Transpower as System Operator has published a document explaining this risk in more detail on the following website: https://static.transpower.co.nz/public/bulk-upload/documents/MAN_TRAS_Management_Summary.pdf

If you have queries, please email OPS.Planner@transpower.co.nz. For further information on existing constraints, go to:
https://www.transpower.co.nz/system-operator/information-industry/operational-information-system/security-constraints



Consultations, publications, and events

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Our **draft Policy Statement 2026** amendment proposal consultation is open for submissions until 5pm this Thursday 4 June, followed by a one week period for cross submissions.

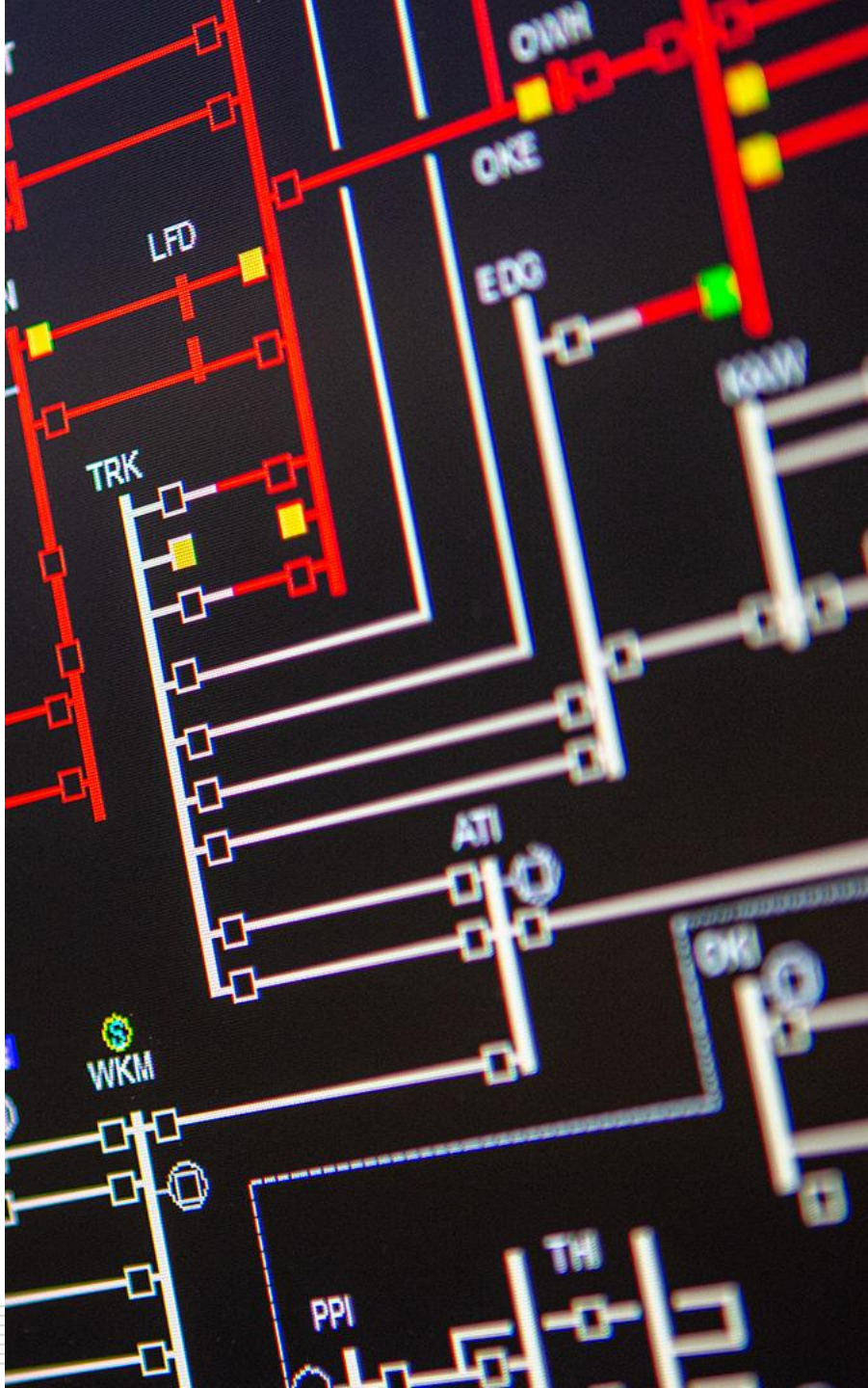
We published our **May Energy Security Outlook** last week, the first under the new SOSFIP amendments.

The latest **Quarterly Security of Supply** outlook published in May is also available on our website.

We have commenced our **Emergency Reserve** industry co-design workshops, with more information available on our website.

System Operator Engineering Forum will be held on 1 July 2026 and focus on the Authority's Part 8 Code amendments. Contact us on system.operator@transpower.co.nz if you have any questions.

We will be discussing the **2026 Wairakei ring outages** at the 13 July 2026 SO Industry Forum.



Questions / Pātai

Please raise your hand

If you have feedback let us know via our **Feedback Form**

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