



## Submission to System Operator Rolling Outage Plan Review (SOROP)

6 March 2024

## 1 Submission and contact details

Consultation	System Operator Rolling Outage Plan Review
Submitted to	Transpower
Submission address	system.operator@transpower.co.nz
Date submitted	6 March 2024
Submitter	Waqar Qureshi, GM Asset Management, Wellington Electricity Lines Limited ( <b>WELL</b> )
Contact	Andrew Twaddle, Network Operations Manager
Email	andrew.twaddle@welectricity.co.nz
Phone	+64 21 199 3133

Submitter	Wellington Electricity Lines Limited
Questions	Comments
<b>Q1: Do you agree with our assessment of the problems with the SOROP?</b>	We agree with Transpower's assessment for the need to clearly define the requirements for a declaration of a supply shortage, and for more clarity on how energy savings targets are calculated. However, we disagree with the assessment regarding the change in notification timeframes and the responsibility for EDBs to provide 30-min GXP demand forecasts which we are currently not funded to produce. This will be expanded on in the more specific questions.
<b>Q2: Do you support our proposal to amend the SOROP?</b>	We support the need to amend the SOROP, but we disagree with some of the methods proposed in this consultation paper. Some of Transpower's proposed amendments are not practical to implement (the notification times are too short) and will add costs that networks aren't funded to provide (half hour GXP demand forecasts).

<b>Q3: Are there any other 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.</b>	<p>The two changes we disagree with (notification timeframe changes and the half hour GXP demand forecasts) should stay the same as they are now.</p> <p>We support the other changes and have no further suggestions.</p>
<b>Q4: Do you agree with splitting the declaration of a supply shortage into a shortage of electricity supply and a shortage of transmission capacity. Is this split clear?</b>	<p>We agree with the splitting into "supply shortages" and "transmission capacity shortages". We suggest it can be clarified that a supply shortage is a developing event (e.g. a dry year), whilst a transmission capacity shortage could be either an immediate event or a developing event rather than just an immediate event. For example, transmission capacity might be sufficient in summer, but if an extended outage continues into winter, there could be a long-term forecast for a shortage of transmission capacity.</p>
<b>Q5: Do you agree with the proposed change to this method of when to declare a supply shortage?</b>	<p>We broadly agree that the proposed changes provide greater clarity on when a supply shortage may be declared. The start of an official conservation campaign (OCC) will give EDBs warning about the possibility of rolling outages. However, we have some reservations about the process changes proposed by Transpower (notification timeframe changes and the half hour GXP demand forecasts).</p>
<b>Q6: Do you agree with our proposal to use the current inflow forecast, assuming 1% daily inflows beyond 7 days, as one of the inputs in determining when to declare a</b>	<p>We agree that the proposal to use minimal inflows (1st percentile), beyond the 7-day forecast, is likely to represent the worst-case scenario. We also agree that using previous historic rainfall sequences are unlikely to be representative of dry year winter conditions.</p>

supply shortage?	
<b>Q7: Do you agree with using a demand forecast as described above over the next 35 days in determining whether to declare a supply shortage?</b>	We agree with utilising a demand forecast for 35 days as justified by Transpower's analysis showed greater accuracy.
<b>Q8: Do you agree with the proposal to lower the notification period for declaration of a supply shortage from 14 days to 7 days? If not, what timeframe would you suggest as appropriate?</b>	<p>We disagree with the proposal to reduce the notification period. This is a large reduction in time from the current setup and reduces the time for Wellington Electricity to notify retailers, to then notify the end customers. We believe that 7 days is not sufficient to notify the public. EDBs don't have the functionality to directly communicate with consumers. We rely on retailers to pass notifications on. This necessitates a longer process.</p> <p>We also disagree that reducing the notification period will guarantee a reduction to the savings target, even though it will allow for a greater timeframe for rainfall to increase lake levels. Whilst Transpower may assess that it is more likely that the savings target will be lower if savings start earlier, we see no guarantee in this. Transpower could still require Wellington Electricity to have 20 or 25% savings – and with a reduced timeframe to notify retailers/ major customers, we anticipate this to cause significantly more distress to customers.</p> <p>We recommend that the notification timeframe align with the DDA for planned outages – this is for 10 business days, or 14 days and not change to notification time. This will maintain a standardised notification window for customers of any loss of power they may experience, as a planned outage.</p> <p><b>We assume that the System Operator will manage any general media advertising of the need to conserve electricity and</b></p>

	<p><b>impending rolling outages when they are requested. EDBs do not have the functionality to communicate directly with consumers. Retailer's do this on our behalf.</b></p>
<p><b>Q9: Do you agree with the proposal for the calculation of savings targets?</b></p>	<p>We agree that savings targets should be assigned to avoid unplanned outages at the GXP. This should be based upon Transpower's modelling.</p> <p>Transpower have stated in Section 4.1.A (b) that the same energy savings target will be given to participants "within the same region". We ask Transpower to clarify how this "region" is defined – is it by Grid Zone, or EDB area of supply. In the Wellington grid zone there are 3 EDBs and it is unclear if each EDB will have the same savings target. This is the same unclarity for direct connect customers within a region/ grid zone.</p>
<p><b>Q10: Do you agree with using a forecast of specified participants consumption over the next 35 days in setting savings targets rather than last year's demand?</b></p>	<p>We agree with the intention of using a demand forecast to account for high-growth areas, particularly with increasing rates of transport and industrial electrification.</p>
<p><b>Q11: Do you agree with the proposal to provide for participant feedback on the demand forecast within 48 hours if a participant believes it is wrong?</b></p>	<p>We welcome the invitation to give feedback on the demand forecast.</p>
<p><b>Q12: Do you agree with lowering the notification of savings targets from 9 days to 7 days?</b></p>	<p>We agree with keeping the notification of savings targets in line with the initial notification to give more certainty to customers. As described above, we do not agree with the 7 day timeframe for initial notification.</p>

<p><b>Q13: Do you agree with the proposal to add the requirement for Participant Rolling Outage Plans to provide a seven-day planned outage list with daily outage and restoration times and half hourly GXP level demand upon notification of savings targets?</b></p>	<p>We agree with the provision of the 7-day outage and restoration plan in table format as this can easily be implemented and provided to the system operator. However, we disagree with the requirement for EDBs to provide half hourly GXP level demand forecast upon notification of savings targets. This is because we do not have the capability to provide this data. The change would require substantial investment in monitoring equipment and forecast calculations that would require an increase in funding through regulatory allowances.</p> <p>While there is progress within the industry through other workstreams to provide a greater transparency of data, WELL believes until there is greater direction for this large investment, this requirement cannot be mandated. Transpower's own demand forecasting and Wellington Electricity's feedback on the energy savings targets should be sufficient for Transpower to be certain of the forecasted demand.</p>
<p><b>Q14: Do you agree the priority order in the Table in 6.8 of the SOROP for disconnection of demand should remain unchanged?</b></p>	<p>We agree that the priority does not need to be changed. Wellington Electricity already utilises a different priority list from the Wellington Lifelines Group in our existing PROP.</p>
<p><b>Q15: Do you agree with the proposal to not change the requirement to provide information on the arrangements in place between the distributor and retailers?</b></p>	<p>We agree that no change is necessary.</p>
<p><b>Q16: Do you agree with this clarification in clause 6.12(b)? If not, would you suggest anything different or would you prefer what's in the current SOROP which does not specify any time of year or</b></p>	<p>We understand that the intention of this clarification is for EDBs to demonstrate that we can shed up to 25% of the maximum load. Having proven this, any other time of year or lower savings target should then be achievable.</p>

<b>month?</b>	<p>We agree with the changes to use the most recent month of August, as this is the most likely month of maximum demand, and longest shed times. Given the pace of electrification, demand profiles may change and a conservative measure is acceptable.</p> <p>We assume that this means that capability tables for Summer will not be required.</p>
<b>Q17: Do you agree with the proposal to remove the provision for directly connected consumers to provide a full information plan given participants (which includes directly connected consumers) can provide feedback on their demand forecast and on their savings targets?</b>	No comment
<b>Q18: Do you support our proposed transitional arrangements under which specified participants would not have to bring forward their proposed amendments/update of their Participant Rolling Outage Plans?</b>	We agree with the suggestion that PROPS must be reviewed within 2 years since their last approved by Transpower.
<b>Q19: Do you agree with the objectives of the proposed amendment?</b>	We agree with the intentions of clarifying the triggers for a declaration of supply shortage and for even-handed treatment of participants.
<b>Q20: Do you agree it is appropriate to rely on qualitative evaluation of the costs and benefits of the proposed amendments? If not, what information, evidence etc can you provide and/or</b>	See below.

<p><b>what methods would you recommend to quantify the costs and benefits?</b></p>	
<p><b>Q21: Do you agree the benefits of the proposed amendments to the SOROP can reasonably be expected to outweigh its costs?</b></p>	<p>There are benefits in improving the clarity of the process, such as splitting supply shortages and transmission capacity shortages, (this data is readily available) and allowing EDBs to provide feedback to the system operator, however, the reduction in notification time and requirements to provide demand forecasts will incur more costs to EDBs than benefits. As the assumed benefits in reducing the notification timeframe will not guarantee a reduction in energy savings target, we cannot justify its required change. As described above, providing GXP half hourly forecast data is not something WELL has the capability to do and may incur a duplication of effort and costs to customers if we are not the best participant to provide this data.</p>
<p><b>Q22: Do you agree that the proposed amendment complies with section 32(1) of the Act?</b></p>	<p>We agree that the changes are consistent with section 32 of the Act, however may reduce some efficiencies (c) of the way the electricity industry operates through higher setup costs to manage the proposed changes.</p>