



TRANSPower

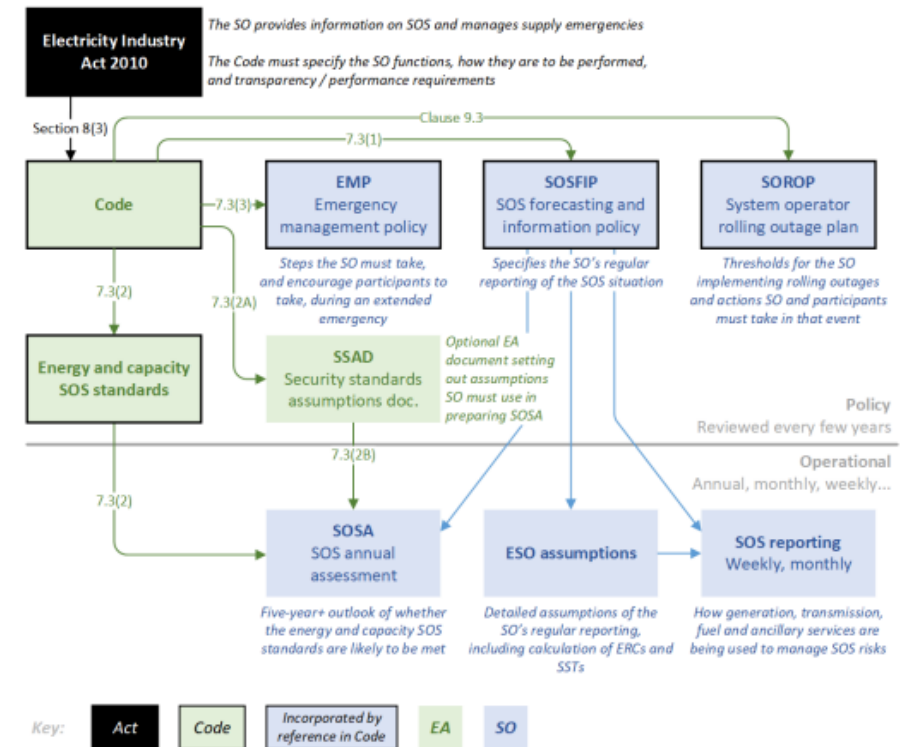
SOSFIP consultation review

21-OCT-25

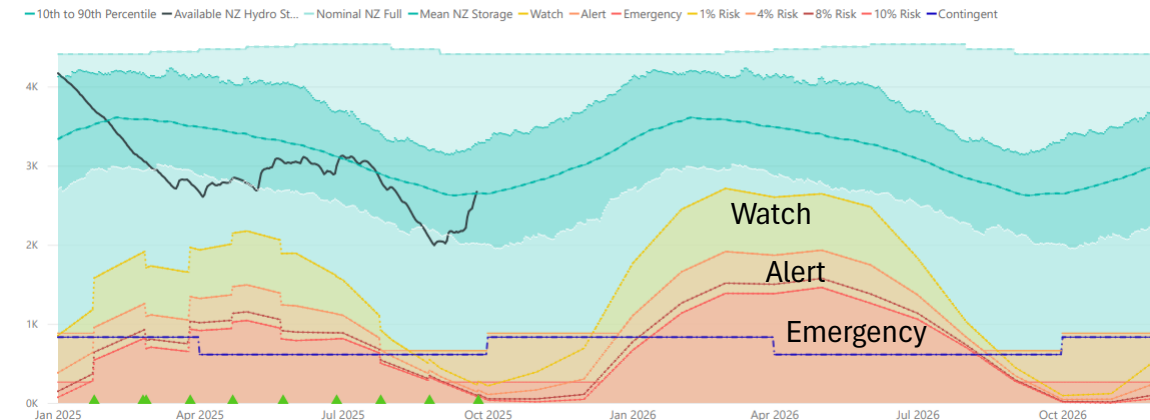


Current SOSFIP framework

- SOSFIP provides the framework for our security of supply reporting and actions.
- Our review is to ensure the SOSFIP remains fit-for purpose, considers the role of contingent storage and other issues raised in the SOSFIP consultation
 - Four work packages – See next slide
- Our SOS reporting is largely information only (particularly the SOSA)
 - Is this still reasonable going forward? Does there need to be something that drives greater accountability for industry to meet the security margins?
 - Crossing ERCs do trigger actions:
 - Watch: Increased reporting by SO
 - Alert: Access to contingent storage
 - Emergency: Official conservation campaign (if forecast to remain below for at least 7 days)



Base Case New Zealand Electricity Risk Status Curves (Available GWh)



SOSFIP Review components

1. Assumptions (Ensuring fit-for-purpose)*

- Physical capability vs contract
- Assumptions for worst case “time-to”
- Triggering “Watch” ahead of “Alert”
- Minimum time under "Alert"

2. Tighter alignment of energy and capacity risk assessments

- Provide greater clarity of how we assess these
- Tighter alignment of ERCs/SSTs and NZGB assumptions

3. Wider scenario assessments

- Capture High Impact Low Probability events
- Scenarios should balance capturing increased risk and plausibility (e.g. coal supply disruption for 3-6 months)
- Loss of plant

4. Contingent storage

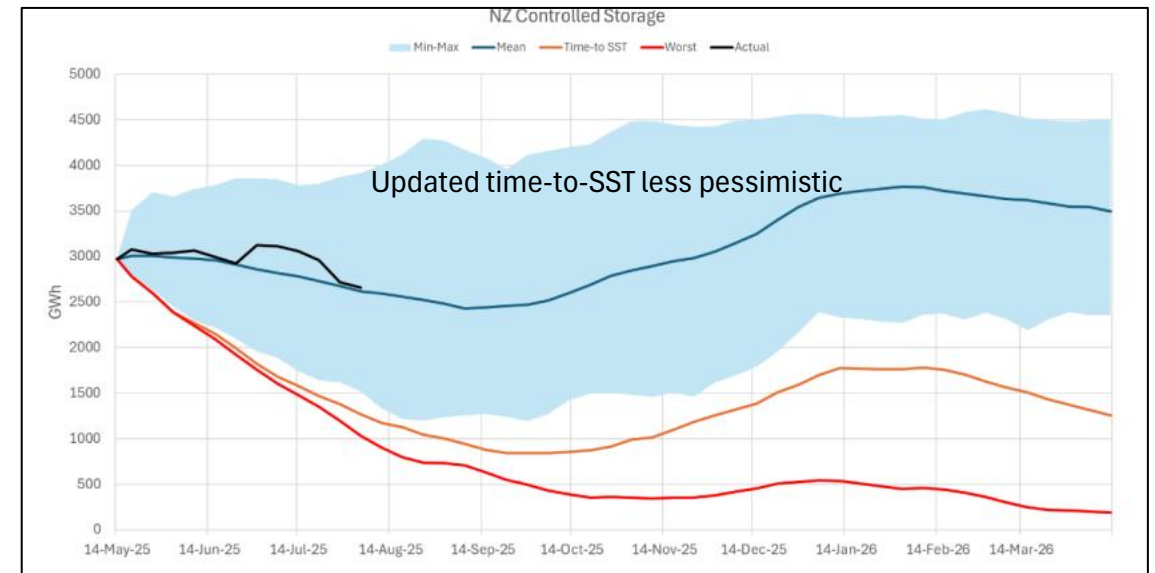
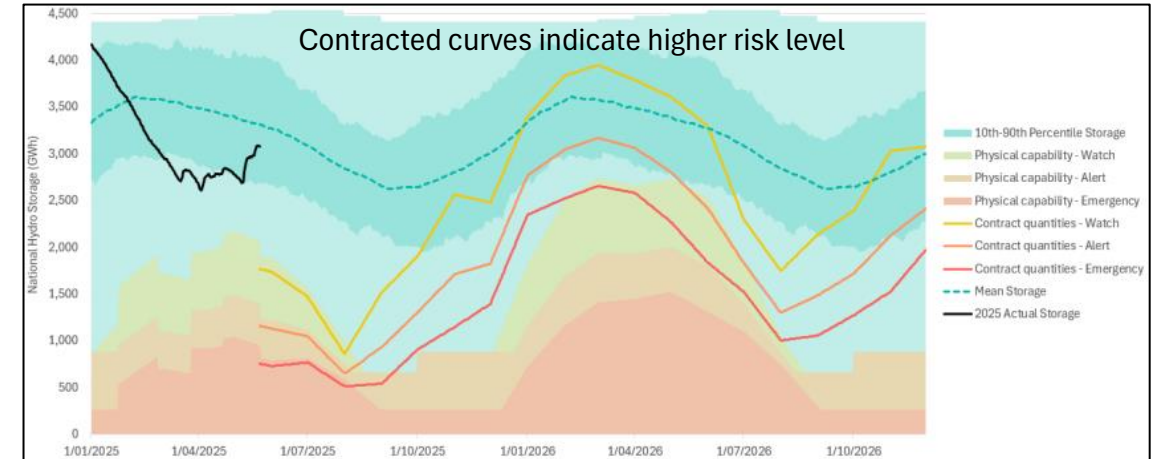
- Review buffer quantity

**We will also be exploring other assumption updates but these do not require changes to the SOSFIP. These will be progressed through incremental improvements to the ERCs and SSTs and communicated to the industry via our SO industry forums and updates to our documentation.*



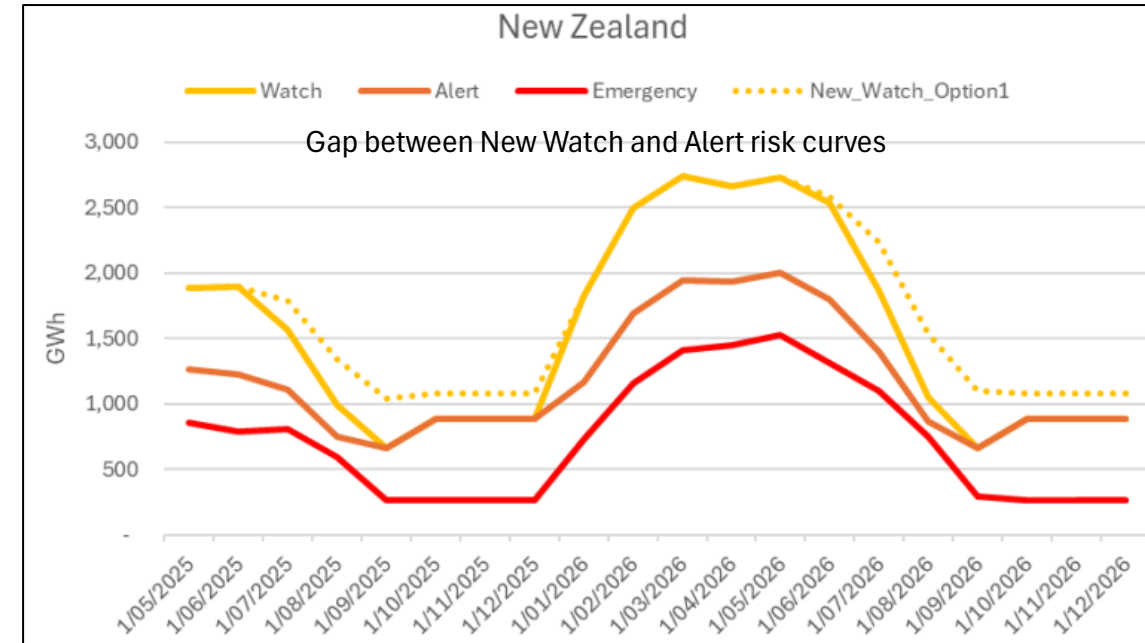
1. Assumptions (1)

- Physical capability vs contract
 - Provide an indication to market of physical capability of thermal fuel and contracted capability
 - Expect contracted view to change more as contracts change
 - Physical will be used for the triggers
- Assumptions for “time-to SST”
 - Provides an estimate of time-to reaching Alert and Emergency
 - Change from worst-case across all time to less extreme view of future inflows further into the future
 - No change to SOSFIP needed



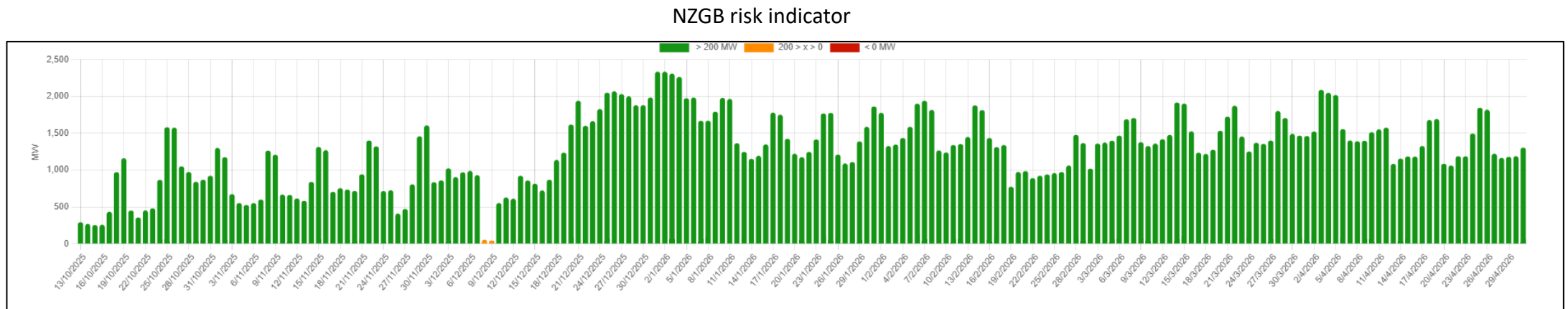
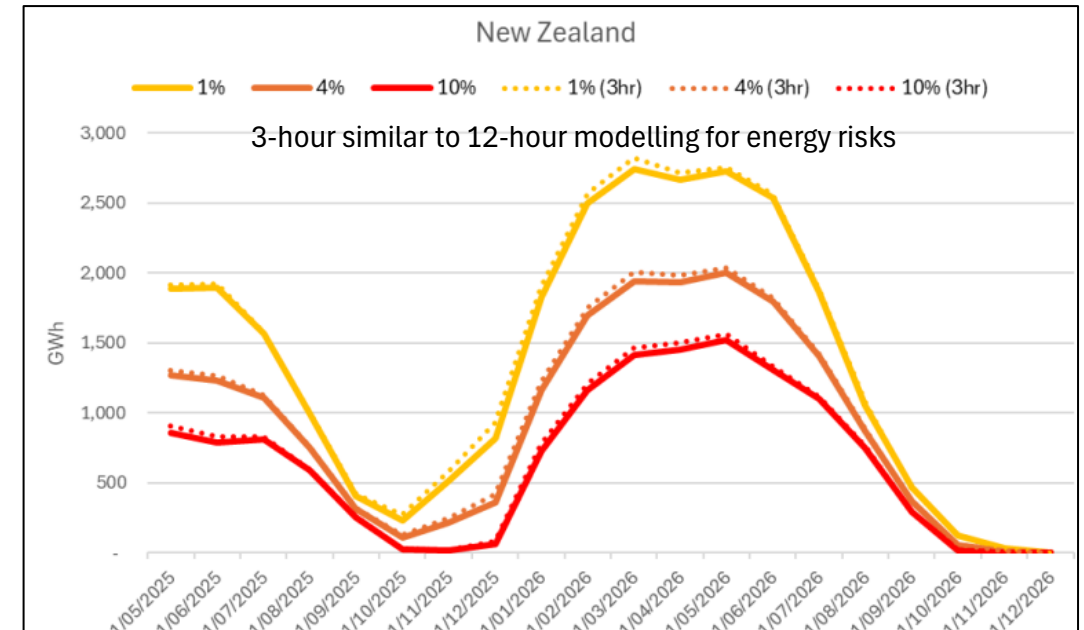
1. Assumptions (2)

- Triggering “Watch” ahead of “Alert”
 - Ensure we enter “Watch” state ahead of “Alert”
 - Not guaranteed under the current risk curve settings
 - Greater of largest simulated drop in month or 200 GWh
- Minimum time under Alert
 - Prevent flip-flopping in an out of Alert if storage increases slightly
 - Proposal to remain under Alert for at least 4 weeks



2. Alignment of energy and capacity risks

- Switch from 12 to 3-hour modelling
 - Improve capture of load shape and potential capacity issues
- Closer alignment with NZGB
 - NZGB is the SO primary capacity risk indicator
 - Improve alignment between NZGB and ESO
 - Extend horizon to 12 months
 - NZGB scenarios with hydro constraints



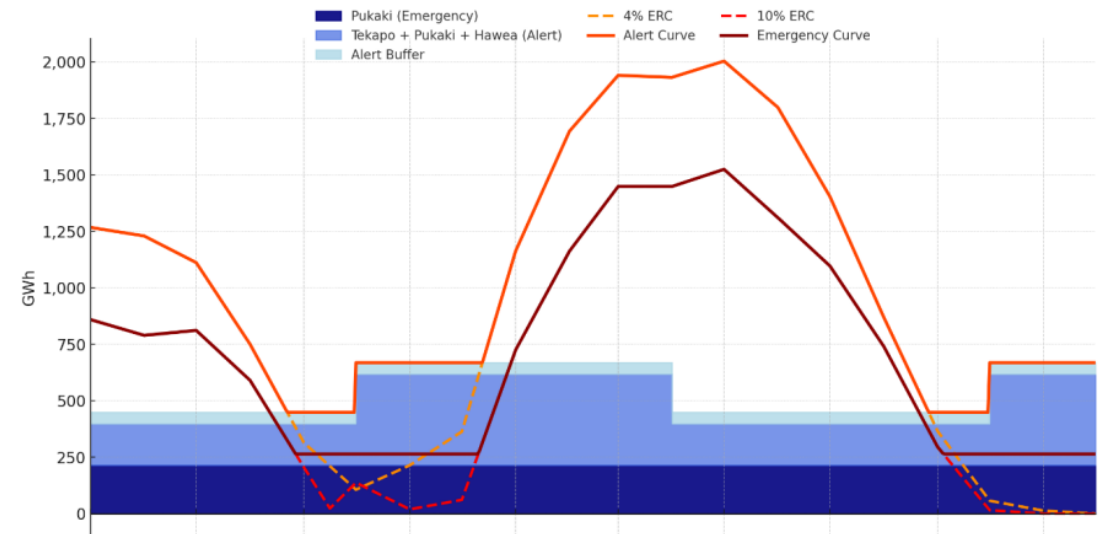
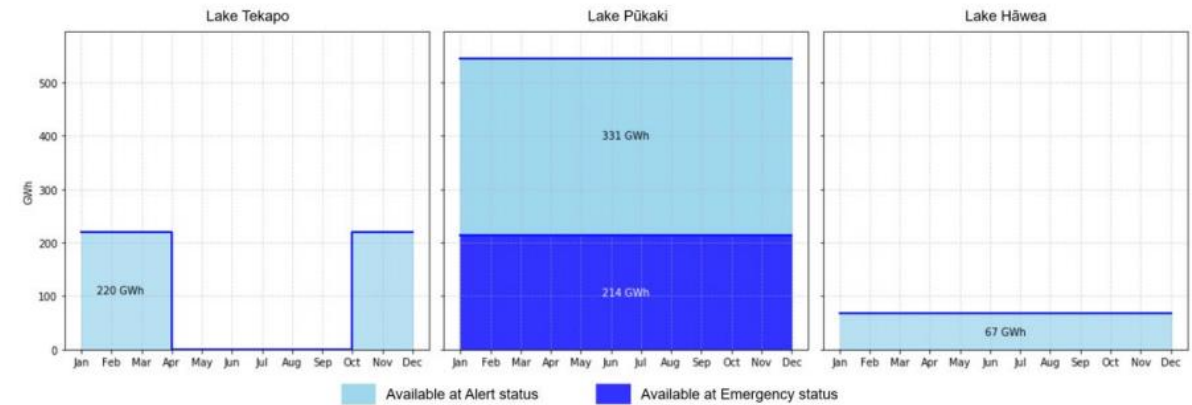
3. Wider scenarios

- Currently considers thermal fuel supply risks
- Proposal to extend to consider thermal fuel and plant risks:
 - Loss of major thermal fuel supply (3 months)
 - Loss of major generator assets (6 months)
 - Loss of HVDC (6 months)



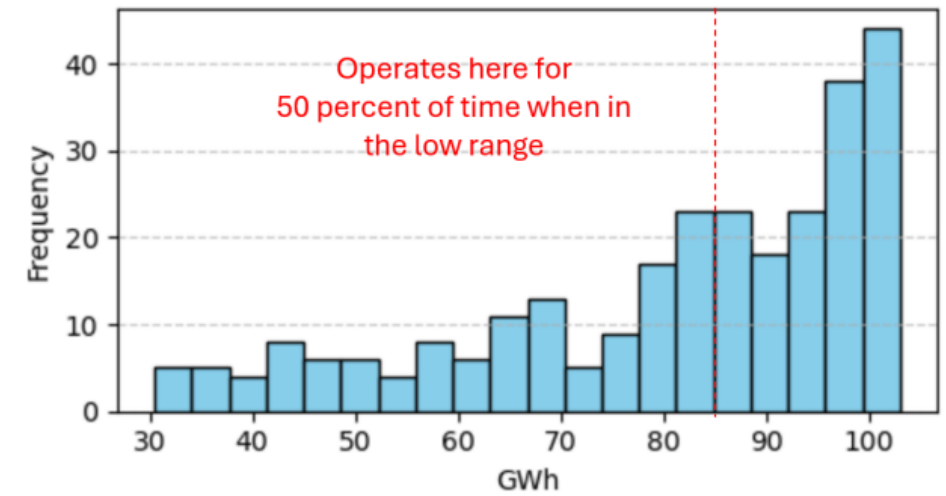
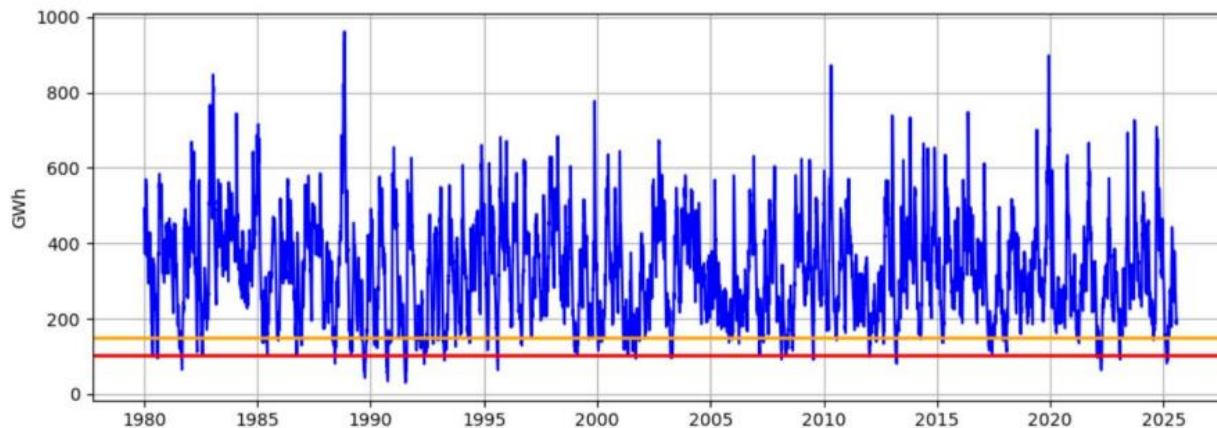
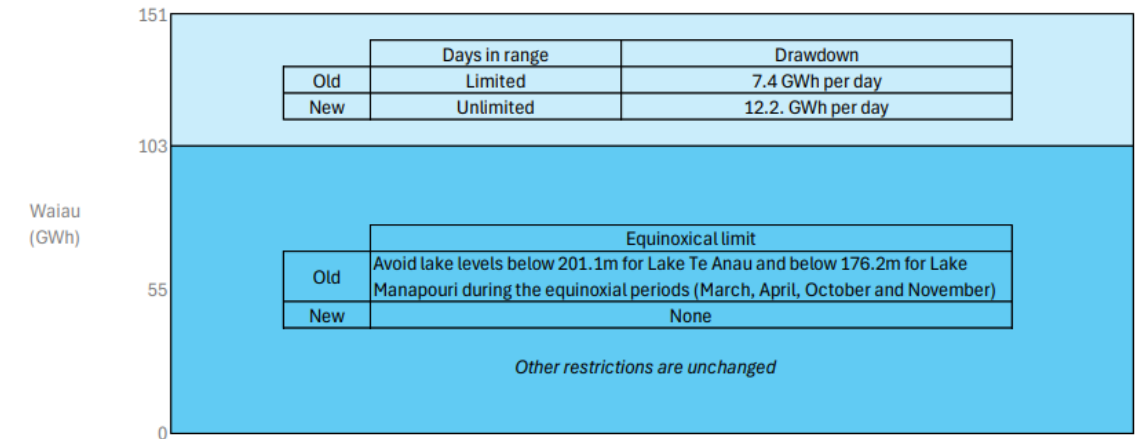
4. Contingent storage

- CS available at some lakes
- When aggregate NZ or SI storage crosses the Alert and Emergency curves
- Buffer to allow for operational circumstances → security of supply risk ahead of CS being accessed
- Reviewed the Alert CS



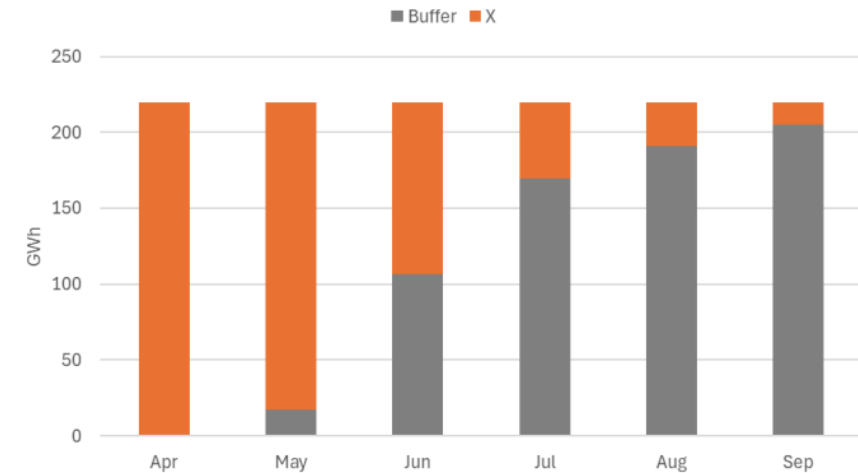
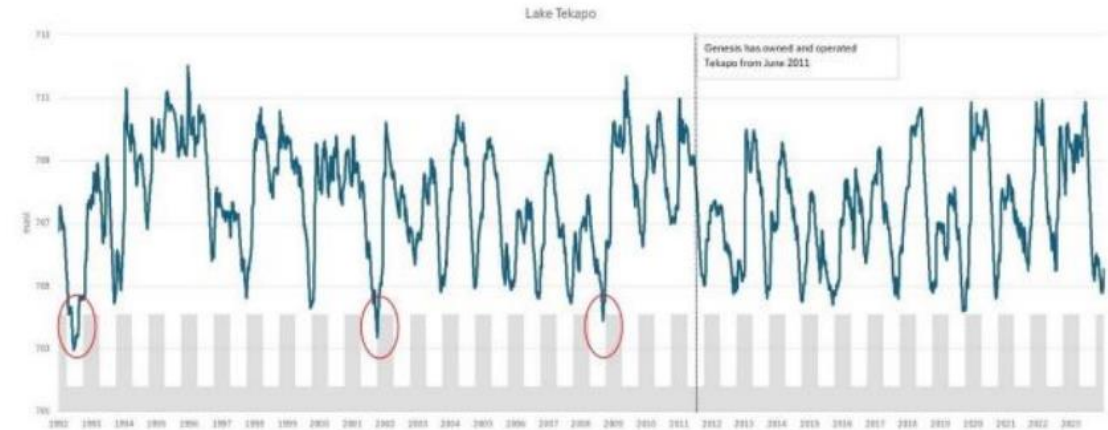
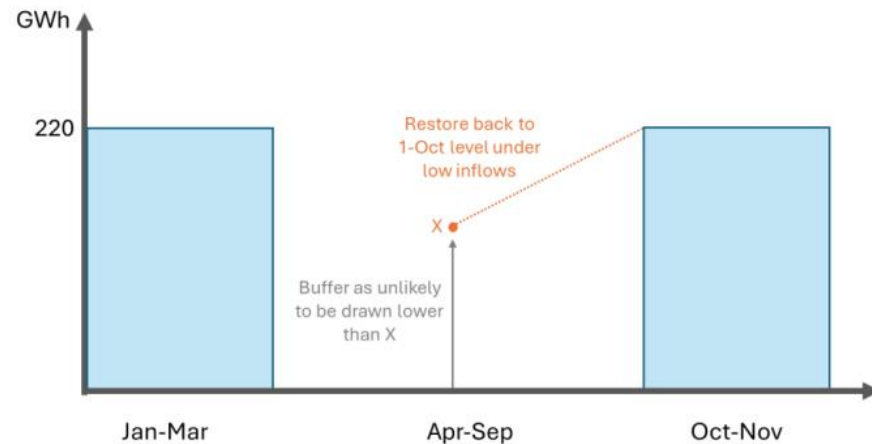
4. Contingent storage: Waiau

- Constraints when operating under the low range:
 - Previous low range started at ~151 GWh
- Relaxed with recent changes to guidelines:
 - Low range constraints start at 103 GWh vs 151 GWh
 - Effective for next 12 years



4. Contingent storage: Tekapo

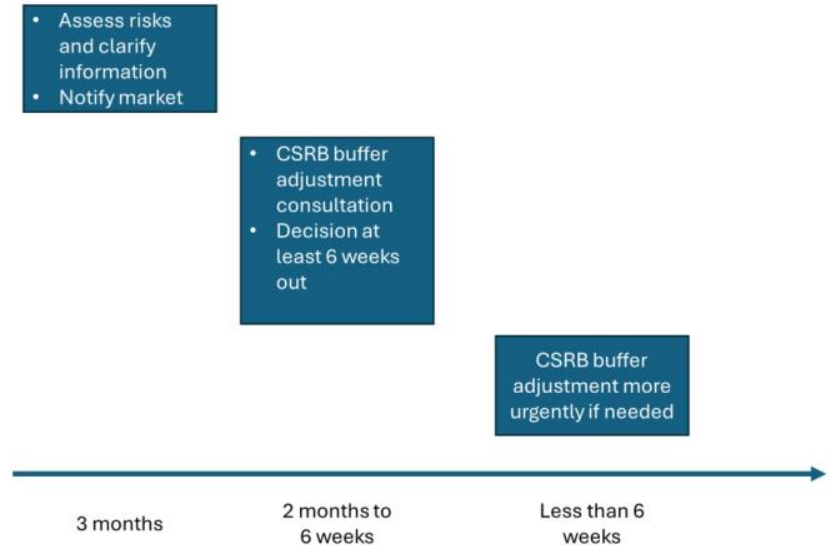
- Tekapo “shadow constraint” effect
- Conservative usage to raise storage back up to 1-Oct limit
- Approaching 1-Oct:
 - Less likely to draw storage lower
 - Increasing buffer to account for this



4. Contingent storage

- Proposed change to Alert CS buffer
 - Account for Waiau + Tekapo constraints
- No change to Emergency CS buffer
 - Alert triggered ahead of Emergency
 - Alert status would unlock constraints/issues necessitating changes to Alert CS buffer
 - Need to be considered together with Customer Compensation Scheme
- Proposed to publish our CSRB discretion process:
 - Situations may evolve differently in real-time
 - Requires SO discretion to ensure access of CS ahead of load management
 - Maintaining SO discretion was supported in our issues paper
 - Publication increases transparency

	Base	Waiau	Tekapo	Total
Jan	50	90	0	140
Feb	50	90	0	140
Mar	50	90	0	140
Apr	50	90	0	140
May	50	90	20	160
Jun	50	90	110	250
Jul	50	90	170	310
Aug	50	90	190	330
Sep	50	90	210	350
Oct	50	90	0	140
Nov	50	90	0	140
Dec	50	90	0	140



Timelines

- Consultation closes: 4-Nov (5pm)
- Followed by 1-week cross-sub. Cross subs close: 11-Nov (5pm)
- Finalise and publish final proposal: pre-Xmas
- SOSFIP in place ahead of winter 2026

