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Transpower New Zealand
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Via email: system.operator@transpower.co.nz

Discussion document – TSO-DSO coordination: Operational requirements

WEL Networks appreciates the opportunity to provide feedback on the above discussion paper.

WEL Networks (WEL) is New Zealand's sixth largest electricity distribution company and is 100% owned by our community through our sole shareholder WEL Energy Trust. Our guiding statement of strategic intent is to be leading Waikato's energy future, and we work to ensure that our customers have access to reliable, affordable, and environmentally sustainable energy.

WEL supports the overall direction of the proposed framework and agrees that increased coordination between transmission and distribution system operations will be necessary as distributed energy resources (DER), consumer energy resources (CER), electrification and flexibility services become increasingly material to power system operation.

WEL generally agrees that the five proposed requirements are appropriate "no-regret" foundations that can support a range of future TSO-DSO operating models without predetermining regulatory outcomes. In particular, we support the principles that requirements should be operationally justified, proportionate to system need, source-led, and scalable over time.

However, WEL considers that:

- Information sharing obligations must be demonstrably linked to a defined operational use case and quantified system benefit.
- Initial implementation should focus on a small number of high-value, low-cost information exchanges.
- Data provision requirements should leverage existing information sources wherever possible and avoid duplication of reporting obligations.
- Distribution networks require greater visibility of transmission constraints, operational risks and restoration activities, making two-way information exchange critical to the success of any future framework.
- Governance, funding and cybersecurity arrangements should be established before any significant expansion of operational data exchange requirements.

WEL supports the overall direction of the proposed operational requirements and agrees that improving TSO-DSO coordination is necessary to maintain secure and efficient system operation as DER, CER and electrification increase across New Zealand. The five proposed requirements provide a sensible foundation for future development and align with the principles of operational need, proportionality and interoperability outlined in the discussion paper.

WEL encourages Transpower and industry participants to focus initially on a small number of high-value operational information exchanges, supported by clearly defined use cases, strong governance

arrangements and a commitment to avoiding unnecessary duplication. A staged and evidence-based approach will maximise operational value while minimising implementation costs and complexity.

WEL looks forward to participating in further industry working groups and trials to refine these requirements and support the development of practical whole-of-system operational arrangements.

Our responses to the specific questions sought by the System Operator are attached and should you require clarification on any part of this submission, please do not hesitate to contact me.

Yours sincerely

Andrew Maseyk
Regulatory Specialist

<table>
<tr><th>Questions</th><th>Comments</th></tr>
<tr><td>1. What should be changed, added or removed from the five operational requirements?</td><td>WEL broadly supports the five proposed requirements:
Clear operational accountabilities.
Minimum static information.
Minimum dynamic information.
Interoperable information exchange.
Predictable technical performance.
We consider the requirements to be comprehensive and appropriately focused on operational outcomes rather than specific market or regulatory structures.
WEL recommends adding an overarching requirement that any proposed information exchange be supported by:
A clearly defined operational use case.
A measurable operational benefit.
Proportionate implementation costs.
Identification of the party responsible for implementation and ongoing maintenance.
These principles are generally reflected within the discussion paper but should be explicitly embedded into future implementation workstreams.
WEL also recommends stronger recognition of regional differences. Distribution networks vary significantly in topology, DER penetration, flexibility capability and operational complexity. As acknowledged in the consultation paper, operational needs are likely to emerge unevenly across New Zealand, and requirements should be applied accordingly.</td></tr>
<tr><td>2. For each information item listed, is the proposed source best placed to create and maintain an authoritative value?</td><td>WEL generally agrees with the proposed information sources.
However, responsibility should remain with the party best positioned to maintain data quality and currency.
In particular:<table><tr><th>Information</th><th>Preferred authoritative source</th></tr><tr><td>Embedded generation connected to distribution networks</td><td>EDBs for connection information, asset owners for capability information</td></tr><tr><td>Batteries and flexibility resources</td><td>Asset owners and aggregators</td></tr><tr><td>Large loads</td><td>Asset owners supported by EDB connection information</td></tr><tr><td>Distribution network constraints</td><td>EDBs</td></tr><tr><td>Transmission constraints</td><td>System Operator/Grid Owner</td></tr><tr><td>Market and dispatch information</td><td>System Operator</td></tr></table></td></tr>
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	WEL notes that EDBs are often not the authoritative source for operational characteristics, dispatch status, commercial arrangements, control settings or flexibility contracts associated with third-party DER and CER resources. Data quality expectations should recognise these practical limitations.
3. Is the proposed level of aggregation and timing proportionate to the operational use?	WEL supports the principle that information granularity and timing should be proportionate to operational consequence. We particularly support the paper's recognition that: • Not all information requires real-time telemetry. • GXP-level aggregation should be preferred where asset-level detail is unnecessary. • Event-triggered notifications may be more appropriate than continuous reporting in many cases. WEL considers that GXP-level aggregation will be sufficient for many short- and medium-term use cases, particularly: • Net demand forecasting. • Embedded generation visibility. • Demand response visibility. • Restoration planning. Asset-level requirements should only be introduced where a clear operational need can be demonstrated that cannot be met through aggregation.
4. Which requirements can already be met through existing information, systems or processes?	A number of proposed requirements can already be partially met through existing industry arrangements, including: • Existing outage coordination processes between EDBs and the System Operator. • SCADA and operational communications at GXPs. • Transmission outage planning processes. • Distribution connection registers. • Existing Code-based reporting requirements. • Industry restoration and emergency management exercises. The initial focus should therefore be on identifying information gaps rather than creating entirely new reporting frameworks. WEL encourages Transpower to map current information flows before pursuing new arrangements.
5. Where are the material information, quality, access or capability gaps	WEL considers the most significant gaps are likely to be: *DER and flexibility visibility* Visibility of behind-the-meter DER, customer-owned batteries, EV charging and third-party demand response remains limited and is likely to remain incomplete for some time. *Market Co-ordination*

	As DSO models progress in NZ, robust market facilitation and coordination will eventually be required where retailers, aggregators, or other participants may opt to participate in multiple market services, which should be encouraged to maximise the benefits that flexibility can provide to the system. Primacy Rules will be required to govern grid priority for services, which will necessitate the exchange of market related information between DSO and TSOs to ensure primacy can be established and service conflicts resolved. *Common standards* There remains limited industry agreement regarding: • Data definitions. • Exchange formats. • Resource classifications. • Forecasting methodologies. • Performance metrics. *Two-way operational visibility* EDBs increasingly require operational information from the System Operator, including: • GXP demand forecasts. • Regional operational constraints. • Emergency management status. • Transmission restoration information. • System-wide DER performance observations. *Cybersecurity and governance* Operational data exchanges must be supported by robust cybersecurity, access management and governance frameworks before large-scale implementation.
6. Which initial information exchange(s) should be prioritised for early definition or trial?	WEL supports prioritising a limited number of practical use cases that provide immediate operational value. Our recommended priorities are: *Priority 1: GXP Forecast Visibility* Improving forecast visibility of: • Embedded generation. • Large loads. • Battery resources. • Controllable demand. This is likely to deliver immediate value for both System Operator and EDB planning activities. *Priority 2: Material Distribution Event Notification* Standardised notification of: • Major outages. • Significant load loss. • Material DER tripping events. • Loss of operational control capability. This would improve situational awareness during abnormal events. *Priority 3: Relevant System Operator Information*

	WEL strongly supports prioritising information flows from the System Operator to EDBs, including: • Transmission constraints. • Restoration status. • System warnings. • Regional security concerns. • Significant operational events. These exchanges could potentially deliver benefits sooner than more complex DER telemetry initiatives.
7. Are there relevant initiatives or standards we should align with to avoid duplication?	WEL supports alignment with: • The Electricity Authority's DSO Roadmap. • The emerging Market Operations Service Provider and data hub initiatives. • Existing Code reporting requirements. • Relevant DER interoperability standards. • Existing ENA and EDB industry data initiatives. Alignment is important to minimise duplication and avoid the development of parallel datasets containing similar information. To make the work meaningful, the working group that is established should consider how best the requirements need to be embedded into regulation, codes, industry standards or good practice, or company policies, such that the requirements are implemented by industry participants.
8. Do you agree with the priority use cases that we have identified? If not, which would you consider are higher priority?	WEL generally agrees with the five priority use cases: • GXP forecast. • Controllable load during an event. • Material distribution event. • Relevant System Operator information. • DER behaviour during disturbances. However, WEL would place particular emphasis on: 1. GXP forecasting. 2. Material distribution event notifications. 3. Relevant System Operator information. These use cases are relatively mature, operationally significant and may be achievable using existing systems and processes. WEL considers that understanding DER behaviour during disturbances will become increasingly important over time, but significant capability, visibility and data quality challenges remain before comprehensive implementation can be achieved across all distribution networks. WEL notes that ENA have made good progress in progressing a Load Management Protocol which sets out potentially adoptable frameworks for load management of controllable loads under emergency situations; however, the level of implementation of the protocol has been scaled back due to the maturity of the systems and processes that traders and distributors operate which limits the level of

	implementation. To progress this use case, further work to develop this protocol and to make it more adoptable would be sensible which could incorporate the TSO-DSO exchange requirements.