

12 September 2022 (MEUG) – BBC adjustments when a large plant connects at distribution network level

Question:

How will Transpower know when a large plant connects to the distribution network in order for the BBC adjustment provision to be triggered? Is there anything in the TPM that compels EDBs to inform Transpower?

Response:

There is nothing in the TPM requiring EDBs or plant owners to tell Transpower when large embedded plant is connected to a distribution network. However, there are a number of ways Transpower may become aware this has happened or will happen:

- The EDB or plant owner may volunteer information about the connection to Transpower.
- The EDB may need to tell Transpower about the connection because the EDB needs part of the grid upgraded to facilitate it.
- The EDB may notify Transpower of the connection under clause 2.4 of the connection code in schedule 8 of the EDB's transmission agreement.
- Another customer may tell Transpower about the connection, particularly if the resulting adjustment is likely to reduce that customer's transmission charges.
- The information may be publicly available, including via NZX or regulatory disclosures.
- Particularly for large generating plant, the system operator may have been notified of the connection, in which case the system operator is able to disclose that information to Transpower under recently-added clause 12.102A of the Code.

Once Transpower knows about a large embedded plant connection it can require the EDB to provide further information about it through clause 30.2 of the EDB's transmission agreement.