

Ancillary Services Procurement Plan Emergency Reserve Update

Draft amendment proposal consultation: Summary and Response Document

20 November 2026

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Contact Details

Address:	Transpower New Zealand Ltd Waikoukou PO Box 1021 Wellington New Zealand
Telephone:	+64 4 495 7000
Fax:	+64 4 498 2671
Email:	system.operator@transpower.co.nz
Website:	http://www.transpower.co.nz

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1 Introduction

1. The purpose of the System Operator's Ancillary Services Procurement Plan (**Procurement Plan**) is to set out the mechanisms we use for procuring ancillary services, as well as the technical requirements and key contractual terms applying to each service. The Procurement Plan is a system operation document approved by the Electricity Authority (**Authority**) and incorporated by reference into the Electricity Industry Participation Code 2010 (**Code**). The System Operator is required to use reasonable endeavours to comply with the Procurement Plan.

2. In January 2026 the Authority decided to establish Emergency Reserve as a new ancillary service, and the Code amendments came into effect on 1 March 2026.[1] In addition to the Code amendment, the Authority's Emergency Reserve decision paper laid out aspects of the scheme that should be reflected in the Procurement Plan.

3. In September 2026 we invited feedback on our Procurement Plan draft amendment proposal in order to implement Emergency Reserve as a new ancillary service.[2] We received 8 submissions and thank those who took the time to review and provide feedback on our draft amendment proposals. We did not receive any cross-submissions. The feedback we received has helped us to refine our amendment proposal to the Authority for its consideration.

4. The purpose of this Summary and Response Document is to summarise the submissions we received on our draft amendment proposal and present our response to them, including the changes we have made to our proposal as a result. This document is part of our final amendment proposal to the Authority referred to in clause 7.21(1)(b) of the Code.

5. Based on the feedback we received and our final review processes we have decided to make minor changes to the draft amendment proposal on which we consulted. The changes we have made are summarised in section 2 below. The main themes of the feedback we received to each of the consultation questions, and our response to each, are summarised in section 3.

6. Appendix A provides more detail of the feedback we received and our responses, and Appendix B details the changes we have made to our amendment proposal following consultation. An updated copy of the draft Procurement Plan reflecting our final amendment proposal to the Authority is attached as a separate document.

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1 Emergency Reserve scheme decision paper

2 The consultation materials and the submissions we received are available on our webpage: Invitation to Comment: Ancillary Services Procurement Plan Update to Incorporate Emergency Reserve (Closed) | Transpower

2 Changes made to the amendment proposal

7. Based on the feedback we received, we have decided to make minor changes to the draft amendment proposal on which we consulted. We have also made some minor changes as a result of our final review processes.

8. We have decided to:

- Update paragraph B114.2.1 to add the words "and within any rate of change specified in the ancillary service procurement contract". This gives the System Operator the option to specify maximum rates of change in generation or load at activation, to avoid large step changes that may affect system frequency.
- Add paragraph B114.4, "upon receiving a restoration notification, end the Emergency Reserve response within any rate of change specified in the ancillary service procurement contract". Again, this is to avoid large step changes that may affect system frequency.
- In paragraph B115, add "for longer than the relevant maximum response time specified in the ancillary service procurement contract (if any)". This allows for the System Operator to be able to specify in the contract a maximum duration of response required, but does not mean that we must do so.
- Remove paragraph B122 which stated, "There are no allowed outages for Emergency Reserve." This was to address consultation responses which indicated that it was not clear how this provision would apply to aggregated portfolios.
- Add the words "the contracted quantity of" to both (new) B122 and B123. This improves the clarity of the requirements in these paragraphs.
- In paragraph B128, remove the reference to use of "past consumption or generation data". Not all baselining methodologies require this. Where the agreed baselining methodology does require use of "past consumption or generation data", a similar term may be included in the ancillary service procurement contract as needed.
- Update paragraph B138 to add the words "on-demand" before "test", where it was not already present, for clarity.
- Update paragraph B139 to clarify that if a self-certification needs to be replaced, it would be replaced by an updated self-certification, rather than necessarily being replaced by testing.
- Updated the definition of "Emergency Reserve equipment" to include "which may be an aggregation of equipment located in the same island" to clarify Emergency Reserve equipment is the contracted aggregate quantity not the individual assets within the aggregated portfolio.

9. The Authority updated the Procurement Plan on 21 October 2026. These changes were not related to Emergency Reserve. The final clean and redline versions of the Procurement Plan provided here are reflective of these updates.

3 Summary of feedback and our responses

10. Our consultation process provided for a consultation period of 3 weeks from 7 to 25 September 2026, followed by a 1-week period for cross-submissions to 2 October 2026.

11. Transpower received eight submissions and no cross-submissions. The submissions listed are below and are available on our website.[3] We thank all submitters for their participation in the consultation process and appreciate the feedback we received.

12. We received submissions from:

- Blackcurrent
- ENA
- Enel X – Part 1 and Part 2
- Haast Energy
- Lastmyle
- Mercury
- Simply Energy
- Unison Networks

3.1 The main feedback themes

13. **Submissions were generally supportive and most comments related to specific implementation settings.** The System Operator thanks submitters for taking the time to express general support and provide more feedback. Our approach to the proposed Procurement Plan amendments has prioritised flexibility over prescription, including through decisions to confirm pre-activation and activation settings in tender documentation, enable baselining methodologies to be by agreement, and agree elements of monitoring and metering requirements during the pre-contract technical review. In our view, this approach will support providers, the System Operator and the wider industry to adapt Emergency Reserve implementation as we learn over time. On this basis, some comments received relating to specific implementation settings do not directly impact the Procurement Plan update, although they will be taken into consideration for our wider Emergency Reserve implementation work.

14. **General feedback and concerns regarding the timeline for ERS.** Submitters noted the tight timeframes leading up to the first call period. We acknowledge that the timeframes are constrained and will aim to provide information transparently and as early as we can, to help facilitate participation.

15. **High trust approach to self-certification.** Unison, Enel X, Blackcurrent and Lastmyle gave support to the approach. Simply Energy suggested the System Operator (rather than directors) certify provider responses. The System Operator plans to implement a high trust approach in Year 1 with details of the testing required to be confirmed in the tender documents when the procurement period begins in late January 2027.

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[3] Invitation to Comment: Ancillary Services Procurement Plan Update to Incorporate Emergency Reserve | Transpower

16. **Application of the rules to aggregators.** Blackcurrent and Lastmyle supported portfolio-based participation and requested clarification on how the performance requirements apply to aggregators. In response to this feedback, and to improve clarity, we have removed the "no allowed outages" provision, amended the definition of "emergency reserve equipment" and amended the wording in paragraphs B122 and B123.

17. **24x7 availability requirement.** Concerns were raised by Lastmyle, Simply Energy and Enel X that the proposed requirement for 24x7 Emergency Reserve availability would limit participation. Under the proposed Procurement Plan wording, the System Operator can define "call periods", which could be limited to particular days of the week and/or certain times of the day within a defined date range, rather than the continuous period of several months as contemplated in the consultation paper. This means that no changes to the drafting are required in order to accommodate non-24x7 availability. However, tooling and cost allocation impacts mean that we will likely require 24x7 availability in year 1. Final decisions on this will be confirmed in the tender documentation.

18. **Event duration limits.** Enel X, Blackcurrent, Lastmyle and Simply Energy sought maximum event duration limits or guidance. Enel X also suggested that minimum event durations would help make participation commercially viable. We have added a sub-paragraph under B115 to give the option for a maximum response duration to be specified in contracts. This is unlikely to be utilised in Year 1 but allows flexibility for future years. We will confirm our final decision in the tender documentation.

19. **Baselining.** Unison, Enel X, Blackcurrent, Lastmyle and Simply Energy supported our proposal for flexible and transparent baselining, and emphasised accurate measurement of incremental response and safeguards against gaming or double-counting.

20. **Post-implementation review and continuous improvement.** Unison, Mercury and Simply Energy supported post-implementation review and continuous improvement. We will complete a post-implementation review following the Year 1 call period.

21. **Requirement to test before contracts are signed**. Enel X and Blackcurrent raised concerns that testing obligations ahead of contracts being secured create uncertainty and costs. We will work closely with providers to ensure these concerns are addressed during the testing and contracting processes. Testing requirements, including proposed timing of tests, will be specified in more detail during the tender process.

22. **Provider eligibility.** Simply Energy requested more clarity regarding eligibility. Blackcurrent raised several queries related to the application of the Code's eligibility definition. Lastmyle and Unison requested clarification of the policies preventing assets from participating in multiple services concurrently. No changes to the proposed Procurement Plan drafting are required in relation to this feedback. We have highlighted this feedback to the Authority who are the administrators of the Code.

3.2 Out of scope

23. **Information, integration and automation.** Blackcurrent and Lastmyle specifically sought API/automated notification capability, while Simply Energy asked for greater clarity on how FlexPoint will operate. No changes to the Procurement Plan are required in response to this feedback. We intend to make some API (or Open ADR 2.0) integration available for Year 1 to poll for details of - and respond to - pre-activation, activation and restoration notifications. A

secure connection will need to be set up in advance. Details will be communicated with providers as part of the onboarding process.

24. **EDB considerations**. Much of the feedback received regarding distribution network interactions does not directly affect the Procurement Plan update but will be considered as part of our broader implementation of Emergency Reserve. Co-ordination and communication with EDBs were raised as important to the success of the Emergency Reserve Scheme. Our decision to add maximum ramp rates for Emergency Reserve activation and restoration, in conjunction with discussions between Emergency Reserve providers and host EDBs, allows for mitigation of some EDB concerns raised in submissions.

Appendix A: Consultation Comments and Responses

The consultation comments we received to each consultation question, and our responses to them, are set out below.

Question 1: Do you have any suggestions for other inputs or analysis that should form part of the forecasting process?

Comments	Transpower Responses
Theme 1: Additional forecasting inputs	
Unison recommended the forecast consider: • the expected availability and utilisation of existing distributor-controlled load; • material changes in distributed generation and flexible demand; • known changes in aggregated DER participation; • relevant network constraints that could affect the deliverability of contracted resources; and • lessons from previous Emergency Reserve events and other emergency response actions. Lastmyle support using "grid balance assessments, security of supply reports and planned outage registers as starting inputs."	The proposed Procurement Plan amendment on which we consulted (refer to paragraph 49), requires the System Operator to publish an "Emergency Reserves forecasting methodology". The description of our plans for Year 1 forecasting is contained in paragraph 60 of the consultation paper. Submitters' recommendations will be taken into consideration as we prepare the forecasting methodology document, which we plan to publish in late November 2026.

Comments	Transpower Responses
Enel X suggested forecasting should "not be limited to estimating system need. It should also consider what level of procurement is likely to support a sustainable provider ecosystem and encourage the development of future demand-side capability." Enel X also notes that "demand response capability is not a passive resource that already exists and is simply waiting to be contracted. Participation requires investment in customer recruitment, technology integration, metering, communications and ongoing programme management." Blackcurrent suggested the assessment consider "the demand-side resource realistically available, alongside the quantity required. A procurement quantity set without reference to what the market can supply risks a tender that does not clear."	The quantity available will not be known accurately in advance of the tender. The target quantity does not have to be procured in full, should there be insufficient bids or if the cost-benefit analysis of the bids does not support procuring the full quantity. In addition, our assessment of tenders received will be cognisant of the Authority's secondary objective for Emergency Reserve to "build consumer capability to provide demand flexibility more generally, through organisational capability and investments in equipment." We expect to open our first tender for Emergency Reserve in late January 2027.
Theme 2: Early publication and market visibility	
Blackcurrent emphasised the importance of publishing forecasts and methodologies early to allow time to develop portfolios and recruit participants.	Our timelines for Year 1 procurement of Emergency Reserve are tight. However, we recognise the value of early visibility and will also work to incorporate this feedback into our planning for future years.

Question 2: Do you have any comments on our suggested forecasting approach?

Comments	Transpower Responses
Theme 1: Support for annual forecasting	
Unison Networks, Blackcurrent and Lastmyle generally supported annual forecasting. Annual forecasts provide certainty and are easier to work with than shorter procurement cycles.	Noted.

Comments	Transpower Responses
Theme 2: Transparency of methodology	
Enel X requested transparency for the methodology used to determine procurement volumes, in particular regarding: • forecast assumptions; • reliability scenarios considered; • procurement volume determinations; and • rationale for procurement decisions. Enel X stated that transparency will assist market participants in understanding future opportunities and support investment planning.	The forecasting methodology is scheduled to be published by 27 November 2026. This will give more information on the method to be used and ensure transparency for all interested parties.
Theme 3: Mid-season reassessment	
Lastmyle suggested that an overly cautious forecast would result in over-procurement, which would increase costs for consumers. They suggested that a mid-season check should be added if major market conditions change.	Noted. It is not our intention to routinely reassess during the year as this would increase the cost of running the scheme. Any reassessment would be on an exception basis, at least in Year 1. However, the proposed Procurement Plan wording has intentionally been kept flexible to allow forecasting to be run more often if this proves to be prudent. As we learn, we will assess whether modifying our approach, such as by adding a mid-season check, may better balance cost with the need to provide sufficient revenue certainty for providers.

Question 3: Do you have any thoughts on the balance between accuracy and pragmatism in the forecasting process, and where the System Operator should aim to land in this balance?

Comments	Transpower Responses
Theme 1: Pragmatic approach	
Unison Networks, Enel X, Blackcurrent, Lastmyle, Simply Energy and Mercury had strong support for a pragmatic Year 1 approach rather than a highly sophisticated model. The preference is for early implementation and learning by doing.	Noted. This is consistent with the Year 1 design philosophy.
Theme 2: Continuous improvement	
Unison Networks, Enel X, Lastmyle, Simply Energy and Mercury expected forecasting sophistication to increase over time. Unison recommended a formal post-winter review, and Simply suggested regular reviews.	We plan to complete a post-implementation review with the Authority following the Year 1 call period to capture learnings, inform our approach to subsequent call periods and opportunities to efficiently enhance capability in our tools and processes in future.

Question 4: Do you have any comments on our proposed procurement approach?

Comments	Transpower Responses
Theme 1: Open and technology-neutral procurement	
Unison Networks, Enel X, Blackcurrent, Lastmyle and Simply Energy gave broad support for open tendering and technology-neutral participation approach we proposed.	Noted.
Theme 2: Distribution network impacts	
Unison requested consideration of material interactions with distributor load-control systems and distribution network constraints where these could affect the deliverability of the proposed reserve.	Noted. Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be

Comments	Transpower Responses
	considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve provider contracts (see paragraphs B114.2.1 and B114.4). These may be informed by host EDB's operational concerns.
Theme 3: Aggregator participation	
Blackcurrent and Lastmyle supported aggregated portfolios and national procurement.	We have made changes to paragraphs B122 and B123 and the definition of "emergency reserve equipment" in response to these comments about aggregator participation. Refer to Appendix B for further detail.
Blackcurrent requested if location is taken into account at any procurement stage in future years, it be signalled at least a full tender cycle ahead. "Portfolios are built from customer contracts negotiated months in advance; a change in the locational basis after those contracts are in place cannot be responded to within a tender period."	Noted.
Theme 4: Minimum event duration concerns	
Enel X argued minimum event durations may be required to make participation commercially viable as many large industrial facilities are unlikely to find activation for a single 30-minute trading period commercially attractive given the limited remuneration that would be available from such a short event.	No minimum event duration is provided for in the proposed Procurement Plan. However, paragraph A18 does allow for either per-trading-period or per-event structures for the activation event fee. Prior to commencing the first tender for Emergency Reserve we will decide which structure to apply for Year 1. We note this feedback suggests a per-event fee structure may be preferable for activation events.

Question 5: Do you have any feedback on the tendering approach described in the consultation document?

Comments	Transpower Responses
Theme 1: General tendering approach	
Unison said where resources are aggregated, the tender process should obtain sufficient information to identify the relevant EDB and the geographic concentration of the underlying resources where this is material to operational risk.	Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve provider contracts (see paragraph B114.2.1 and B114.4). These may be informed by host EDB's operational concerns.
Enel X said the effectiveness of competitive tendering depends on sufficient market depth: "If procurement volumes are small while participation is relatively broad, there is a risk that competition drives prices to levels that are insufficient to support long-term investment by providers, resulting in inferior solutions being procured. We suggest the System Operator monitor participation outcomes and periodically assess whether procurement mechanisms are producing the desired investment signals."	Noted.
Theme 2: Early publication of tender documents	
Blackcurrent requested that "the tender documentation, the draft ancillary services procurement contract and the draft self-certification template are all published at the opening of the tender rather than during it."	The System Operator aims to make all information available as early as possible, within the timing constraints for Year 1. Tender documentation will be available at tender opening, which is planned for late January. An indicative draft of the self-certification document was included in the consultation paper to enable feedback from potential providers at the earliest stage. The final version will be published alongside the draft contracts.

Comments	Transpower Responses
Theme 3: Flexible offer structures	
Blackcurrent supported fees being negotiated as a single figure per provider rather than per resource.	Noted. This is in line with our proposed approach although we note that there will likely be a requirement to split resources by island.
Lastmyle asked that tender rules remain flexible so innovative aggregators can offer variable capacity blocks across the day. Simply Energy suggested, "grouping similar sites together into "tranches" for managing various inputs: • technical requirements regarding dispatch; or • different offer prices for bids; or • providing non-confirming bids into the tender, such as sites that have a max event time."	At this stage we consider the approach suggested by Lastmyle is unlikely to be feasible for Year 1. These suggestions will be considered for potential future enhancements.

Question 6: Do you support our proposed approach to pre-contract technical review and testing?

Comments	Transpower Responses
Theme 1: General support for technical review	
Unison Networks, Enel X, Blackcurrent and Lastmyle gave broad support for the technical review and for readiness testing.	Noted.
Simply Energy supported initial flexibility however advocated for firming up as product matures.	Noted.
Theme 2: Portfolio-level testing	
Aggregators Blackcurrent and Lastmyle argued testing should be performed at portfolio level rather than individual asset level. Unison said testing should demonstrate the provider can deliver the contracted response without relying on flexibility that is simultaneously required for another purpose.	In response to this feedback, we have made changes to the Glossary definition of 'emergency reserve equipment' to clarify the treatment of aggregated assets. Refer to Appendix B for further detail.

Comments	Transpower Responses
	The exact details of testing requirements for aggregated assets may be subject to our agreement, which will be discussed during tender negotiations and formalised in the ancillary service contract as needed. The System Operator will be seeking transparency with respect to providers' assets and other flexibility commitments.
Theme 3: Pre-contract testing	
Enel X and Blackcurrent raised concerns that testing obligations create uncertainty and costs before contracts are secured. Enel X said that should a "low-trust" model be adopted in the future, they would not support requiring providers to undertake full performance testing prior to contract award.	Testing requirements will be specified in more detail in the tender documentation. We will work closely with providers to ensure these concerns are addressed during the testing and contracting processes.

Question 7: Do you support our proposal to use a "high trust" system, including self-certification? Do you have any comments on our proposed implementation of the "high trust" system?

Comments	Transpower Responses
Theme 1: Support for high-trust approach	
Unison said "yes for Year 1, however self-certification should include confirmation that the provider has considered relevant distributor load-control arrangements and distribution network operational requirements." Enel X strongly supports the high-trust approach as it results in a lower cost solution. "Overly prescriptive testing and certification requirements risk discouraging participation and slowing market development." Blackcurrent and Lastmyle also supported self-certification and high-trust arrangements.	Noted. Our final amendment proposal retains the high trust model on which we consulted. We will consider whether it may need to evolve in future as part of our post-implementation review following Year 1.

Comments	Transpower Responses
Blackcurrent requested the System Operator to publish the evidence it would expect to see on audit.	The proposed Procurement Plan outlines the evidence expected on audit. However, we appreciate for new ancillary services providers, additional support may be warranted. Potential providers should contact us if they have specific questions, or if they require support with understanding the rules and how they apply to their specific situation.
Theme 2: Distribution network considerations	
Unison suggested that self-certification should consider EDB arrangements and network impacts.	Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve provider contracts (see paragraph B114.2.1 and B114.4). These may be informed by host EDB's operational concerns. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 3: Director certification concerns	
Simply Energy suggested the System Operator is best placed to certify the response of providers, and that director certification should be reserved for matters of governance within a company.	Noted. In our view the proposed self-certification approach appropriately balances the costs and benefits at least for Year 1. The amendment proposal retains the ability for the System Operator to request on-demand tests (paragraph C25). This provision allows us to change our approach in future years and request on-demand tests more regularly, depending on lessons learned from the early operation of the scheme. Any such changes to testing requirements would be made clear prior to tender.

Comments	Transpower Responses
	Note that for Emergency Reserve, unlike some other ancillary services, costs for on-demand tests are usually paid for by the provider (see paragraph B142).

Question 8: Do you support our proposed eligibility settings?

Comments	Transpower Responses
Theme 1: Broad participation	
Unison, Enel X, Blackcurrent, ENA and Lastmyle indicated support for broad, technology-neutral eligibility settings. Blackcurrent in particular supported the decision not to set a minimum participation size (paragraph 111 of the consultation paper), saying: "A threshold would fall hardest on aggregators assembling portfolios from smaller distributed resources, which is the participation the scheme most needs. We agree that any issue with very small offers is better handled through tender assessment. We also support not adding ring-fencing or stand-down requirements beyond those in the Code."	Noted.
Theme 2: Interaction with EDB systems	
Unison and ENA made requests to manage conflicts with distributor-controlled load and network operations. ENA said "Our principal interest is ensuring that participation is appropriately coordinated with distribution network operation. The scheme should enable distributed resources to contribute to system security without compromising local network safety and reliability."	Noted. Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.

Comments	Transpower Responses
Theme 3: Asset stacking and double counting	
Lastmyle raised concerns about restrictions preventing assets from participating in multiple services. "We ask Transpower to reconsider the strict rule B44.4 that locks an individual device out of all other flexibility services for six months. Instead of locking out individual devices, the contract should be for the total volume of load flexibility. Complex orchestration of distributed devices is possible with advances in technology. 'Total volume of load' will enable aggregators to deploy assets flexibly."	The Authority's policy intent for Emergency Reserve is to prevent providers from switching assets flexibly between Instantaneous Reserve and Emergency Reserve, to avoid any risk of double counting in an event. The wording in paragraph B44.4, which is an extension of the Code definition, has been included specifically to enable the System Operator to reject offers for any equipment that is offered as Instantaneous Reserve at the same time it is contracted for Emergency Reserve.

Question 9: Do you have any comments or questions about the eligibility criteria? Note that some eligibility criteria are determined by the Code's definition of "Emergency Reserve" and therefore out of scope for the current consultation.

Comments	Transpower Responses
Theme 1: Clarity and application of criteria	
Unison and Lastmyle requested clarification on treatment of aggregated assets, EDB-controlled load and prevention of participation in multiple services.	Restrictions (clarified in B44.4 of the Procurement Plan, see answer to Question 8, Theme 3) are intended to prevent double counting and ensure reliability of contracted capability. The System Operator will work with ancillary service agents to ensure the eligibility requirements, implemented by the Authority in the Code, are correctly applied.
Simply Energy requested that eligibility be assessed by individual asset, not by entire site, so eligible assets can participate independently of other assets already providing market services.	The Procurement Plan leaves the definition of 'emergency reserve equipment' broad to allow these details to be agreed between potential providers and the System Operator as part of the tender process. Additionally, we have amended this definition to explicitly include reference provision via "an aggregation of equipment" (see Appendix B for further details).

Comments	Transpower Responses
	We note that the consultation feedback from other aggregators indicates that they do not want assets to be considered at individual equipment level, suggesting that different methods of assessment may be suitable for different types of portfolio. We will assess each provider at tender to ensure that equipment is identified and assessed in a clear and appropriate way for each ancillary service agent, while maintaining fairness between potential providers using different technologies.
Theme 2: Eligibility definition	
Blackcurrent sought clarification on the application of the Code's eligibility requirements, including the treatment of resources subject to existing commercial arrangements, the 12-month lookback where an arrangement is voluntarily ended, whether a reserved tranche of a battery may be ring-fenced for Emergency Reserve, and how consumer-sited batteries should be classified. Lastmyle asked that we provide explicit guidance regarding sites located on networks with active EDB load management, and confirmation that background EDB load management does not automatically disqualify a site from offering Emergency Reserve, provided the baseline calculation methodology appropriately accounts for EDB control events.	The System Operator will work with ancillary service agents to ensure the eligibility requirements, implemented by the Authority in the Code, are correctly applied. Where multiple load management actors co-exist, an ability to differentiate the Emergency Reserve response will be required in order to participate in Emergency Reserve.
Theme 3: EDB coordination	
ENA and Lastmyle placed strong emphasis on engagement with EDBs where network interactions may occur. ENA raised the EDB Common Load Management Protocol as an example of the wider arrangements governing the operation of controllable load on distribution networks, and suggested that this assessment also encompass other material distribution network constraints and operating arrangements, including connection conditions, generation export limits and any dynamic operating limits applying to participating resources.	The System Operator recognises the need for engagement with EDBs during tender and procurement activities. Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve

Comments	Transpower Responses
	provider contracts. These may be informed by host EDB's operational concerns. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.

Question 10: Is your organisation considering entering the Emergency Reserve market? If so, are you considering using resources removed from other schemes (such as interruptible load), or resources that do not currently participate in any similar schemes? Are you considering using load or generation or both?

Comments	Transpower Responses
Theme 1: Interest in participation	
Enel X is evaluating participation, noting its participation decision will ultimately depend on factors including procurement volumes, expected revenues and the longer-term outlook for demand-side participation in New Zealand. It also noted the development of a meaningful demand response portfolio requires confidence that ongoing investment can be justified, and it is also considering opportunities to utilise resources that currently participate in interruptible load.	Noted.
Blackcurrent commented it expects to offer aggregated controllable load across commercial, industrial and rural sites, together with consumer-sited battery storage of the kind expressly contemplated in the Code definition of Emergency Reserve.	Noted.
Lastmyle commented that they intend to enter the market as an aggregator and plans to pool household and business demand response from hot water cylinders, space heaters, and electric vehicles.	Noted.
Simply Energy is looking at identifying any load that is most suitable to participate in the Emergency Reserve scheme.	Noted.

Comments	Transpower Responses
Theme 2: Timeline concerns	
Simply Energy raised a concern that implementation timeframes may constrain participation.	The System Operator acknowledges that the timeframes for Year 1 are tightly constrained.

Question 11: Do you have any questions or comments on the System Operator's proposed use of specified software for the implementation of Emergency Reserve?

Comments	Transpower Responses
Theme 1: Support for FlexPoint	
Unison, Enel X, Blackcurrent, Lastmyle and Simply Energy gave broad support for using FlexPoint and existing platforms.	Noted.
Theme 2: API and automation requests	
Blackcurrent and Lastmyle indicated strong interest in automated interfaces and API-based acknowledgements.	We intend to make some API (or Open ADR 2.0) integration available for Year 1 to poll for details of - and respond to - pre-activation, activation and restoration notifications. A secure connection will need to be set up in advance. Details will be communicated to contracted providers as part of the onboarding process.
Simply Energy commented that the final design and detail will be important in determining costs of participation. They stated that they would also like to see more information on how FlexPoint will be used, for example for preactivation, activation, post event verification etc, to inform an assessment and design of participation and automation requirements.	Noted. In addition to details laid out in section 8 (paragraphs 122-127) of the consultation paper, the System Operator will work with providers to complete onboarding prior to the start of the call period.
Theme 3: Communicating to EDBs	
Unison said consideration should be given to how information relevant to affected EDBs will be communicated where an Emergency Reserve activation or restoration could materially affect distribution network operations.	Noted. We agree that there is a need for transparent notifications for market participants and are working through how to achieve this balancing control room workload, and system and budgetary constraints.

Comments	Transpower Responses
	Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve provider contracts. These may be informed by host EDB's operational concerns. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 3: Clarification of obligations	
Lastmyle raised a question about whether a provider can decline a pre-activation warning.	Acknowledgement of pre-activation notifications is mandatory. Although the provider updates the available quantity in the pre-activation notification, the requirement is for full capability to be available at all times during the call period, otherwise penalties may apply.

Question 12: Do you support our proposed availability requirements including call period, allowed outages, and maximum response duration?

Comments	Transpower Responses
Theme 1: Support for Year 1 design	
Unison, Enel X and Blackcurrent indicated general support for the high level principles proposed.	Noted.
Theme 2: 24/7 availability concerns	
Lastmyle suggested providers be allowed to offer variable capacity blocks across a day. Enel X do not support a requirement for continuous 24/7 availability. They state that such a requirement is likely to limit participation to only those	Under the proposed Procurement Plan wording, the System Operator can define "call periods", which could be limited to particular days of the week and/or certain times of the day within a defined date range, rather than the continuous period of several months as contemplated in the

Comments	Transpower Responses
sites that operate 24/7 and exclude resources that could otherwise provide significant value during periods of greatest system risk. In practice, Emergency Reserve is expected to be most valuable during peak demand periods rather than throughout all hours of the day.	consultation paper. This means that no changes to the drafting are required in order to accommodate non-24x7 availability. However, tooling and cost allocation impacts mean that we will likely require 24x7 availability in year 1. Final decisions on this will be confirmed in the tender documentation. Call period settings will be included in our post-implementation review.
Theme 3: Maximum event duration	
Enel X, Blackcurrent, Lastmyle and Simply Energy sought event duration limits or guidance. Lastmyle's view was that Transpower must set a maximum duration for power pauses (i.e. activation events), to allow aggregators to determine which assets to pool based on energy reserves. Simply Energy said the proposed availability requirements - in particular an open-ended call period and lack of a maximum event time - do not reflect the capability and/or willingness of many industrial loads to participate, and risk excluding all but a narrow set of asset types.	Noted. We have added the ability for the System Operator to specify a maximum event duration in the Emergency Reserve provider contracts. However, this is unlikely to be utilised in Year 1 for the reasons explained in paragraph 135 of the consultation paper. We will confirm whether a maximum event duration applies in the tender documentation. The forecasting assessment will consider historic shortfalls, including their duration. The underlying requirement is that Emergency Reserve must remain available while the grid emergency continues.
Theme 4: Portfolio-level compliance	
Blackcurrent and Lastmyle argued compliance should be measured against contracted portfolio quantity.	In response to this feedback we have made changes to the definition of 'emergency reserve equipment' in the Procurement Plan amendment proposal, to clarify requirements for aggregators. We expect aggregators may be some of the most suitable providers for Emergency Reserve due to their ability to use collections of diverse assets to meet the requirement for 24x7 availability within the call period. Refer to Appendix B for further detail on the changes.

Question 13: Do you support our proposed approach to setting pre-activation and activation triggers? Do you have comments or suggestions regarding the residual threshold values to be used?

Comments	Transpower Responses
Theme 1: Transparency	
Unison, Blackcurrent, Enel X support early publication of the trigger settings and methodology.	Trigger settings will be published in the forecasting assessment as outlined in the consultation paper. The forecasting methodology will be published in late November 2026, followed by the first forecasting assessment in December 2026. This includes publication of the period covered, the call period, the quantity of Emergency Reserve sought, and confirmation of the pre-activation and activation processes.
Unison also said where an event is likely to have a material distribution network impact, appropriate operational communication with the affected EDB should be considered.	The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 2: Longer activation notice periods	
Enel X requested activation periods longer than 25 minutes, stating that in their experience, many large industrial facilities require significantly longer to safely and effectively implement demand reductions. They suggested that for some facilities, an activation notice period of approximately one hour may be more realistic and would support broader participation in the programme.	Variable activation periods would add significant complexity to our operational tools and processes that are not feasible for Year 1. If there are specific assets that will be unable to participate due to the activation timeframe, we would welcome feedback on the details of the assets affected. This information would help us and the Authority assess whether the magnitude of this issue would warrant subsequent additional investment by the System Operator. Bringing activation notifications forward to occur further ahead of real-time challenges the Authority's goal of Emergency Reserve being the penultimate resource prior to instructed load shedding as other emergency processes, such as market response and voluntary controllable load processes, would still be in train.

Comments	Transpower Responses
Theme 3: Coordination with other mechanisms	
Simply Energy requested clarity on interaction with Difference Bids, hot water control and controllable load.	The Emergency Reserve ancillary service operates independently of these mechanisms. Pre-activation and activation will be based on triggers specified in the forecasting assessment, regardless of which other mechanisms have or have not triggered at a given point in time. We will consider incorporating this approach into the materials we will develop to provide clarity for providers and wider market participants ahead of the Year 1 call period.

Question 14: Do you have any comments about our proposed operational approach to pre-activation, activation and restoration?

Comments	Transpower Responses
Theme 1: Restoration management	
Enel X said where activation and restoration thresholds are set at the same level, there is a risk that resources could be repeatedly activated and restored over a short period if system conditions fluctuate around the threshold. This behaviour can create unnecessary operational disruption for participants and may reduce confidence in the programme. And in its experience, restoration thresholds are generally most effective when set below activation thresholds, creating an appropriate degree of hysteresis and reducing the likelihood of repeated cycling of resources."	There are no set thresholds for restoration. The intent is for the System Operator to manually manage restoration which will provide protection against this issue.
Theme 2: EDB communication	
Unison and ENA raised concerns about restoration causing secondary demand peaks and local network impacts. ENA said that where restoration could materially affect a distribution network, proportionate arrangements should provide the affected EDB	Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. We have decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve

Comments	Transpower Responses
with visibility of the expected timing and enable any local constraints or potential rebound demand to be managed. ENA said affected EDBs should receive timely information on activation and restoration where the response could materially affect network operation. They said operational arrangements should clarify how Emergency Reserve and EDB load control will be coordinated, avoiding conflicting control actions.	provider contracts. These may be informed by host EDB's operational concerns. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 3: Provider activation	
Blackcurrent said pre-activation of all contracted providers when only part of contracted quantity is required will be reflected in fees.	Pre-activation of only a subset of providers will not be accommodated in Year 1 as it would add complexity to our operational tools and processes. It would also introduce a risk that if some of the pre-activated loads became unavailable, the pre-activated quantity may not remain sufficient. There would also be a risk if the required quantity of Emergency Reserve increased between pre-activation and activation. There is uncertainty in the intermittent generation forecasts, demand bids, and the load forecast within the timeframes in which pre-activation will occur. The Procurement Plan does not mandate this setting, leaving this open to be adjusted by the System Operator in future years. Any decisions to change this setting will depend on learnings from early operation of the scheme and would require additional investment in System Operator tools and processes.
Regarding the merit order which is determined after contracts are signed, and whether a provider is activated, Blackcurrent asked that a provider be advised of its own position in the merit order once set. They stated that expected event-fee revenue is a material input to bid pricing, and that providers cannot form a reasonable expectation of it without that information.	We will consider this request once contracts are signed to ensure commercial sensitivity is not compromised. The merit order may also be subject to change at short notice due to unplanned outages of Emergency Reserve providers. For the avoidance of doubt, Emergency Reserve provider fees are locked in via the tender and contract process prior to each call period. While knowledge of position in the merit order may assist a provider to

Comments	Transpower Responses
	estimate Emergency Reserve revenue, it can only assist providers with determining their bid prices for subsequent call periods.
Theme 4: Market notification of Emergency Reserve events	
Haast Energy requested that pre-activation, activation and restoration information be made available to market participants when provider notifications are issued. Haast considered that equal access to information about material system interventions supports informed trading, efficient price discovery and competitive risk management. If market-wide publication is not practicable, Haast suggested an industry opt-in notification service.	We agree with the need for transparent notifications for market participants and are working through how to achieve this while balancing constraints such as control room workload – all CAN, WRN, and GEN notices are manually generated and sent. The options being considered are: 1. Adding static wording to existing notices (CAN, WRN and/or GEN) to reflect that Emergency Reserve may be pre-activated and/or activated. 2. Sending an additional CAN when ER is pre-activated. Note that an additional CAN at activation is unlikely, as the control room will not generally have capacity to issue a CAN at the point of activation. 3. Sending notices to industry via an alternate mechanism to the existing notices. These would be sent at the same time as pre-activation and activation notifications were issued to Emergency Reserve providers.
Theme 5: Operational processes	
Simply Energy requested more granular detail on how all the various tools will be managed in real time and requested a working example with timestamps.	Noted. See response under Question 13, Theme 3.
Simply also pointed out an inconsistency in the consultation paper wording whereby paragraph 163 explicitly states response should not occur prior to activation, however the last sentence in paragraph 158 states that "…for example if there is a need to start shutting down	Emergency Reserve response should not be provided early where this is not necessary, however we accept that in some cases this may be unavoidable.

Comments	Transpower Responses
equipment at the point of pre-activation" as part of the inputs for decision making on the trigger setting."	

Question 15: Do you have any comments on our proposed reporting provisions?

Comments	Transpower Responses
Theme 1: Support for reporting	
Unison and Lastmyle offered support for the suggested reporting provisions.	Noted.
Theme 2: Additional reporting	
Unison recommended that the following be included in post event reporting: • contracted versus delivered response; • timing of activation and restoration; • material changes in demand following restoration; and • any significant operational issues encountered by affected EDBs. Enel X said regular reporting should include procurement volumes, participation levels, activation events, delivered response volumes and overall programme performance.	Some of the items mentioned in the responses are already covered by the reporting requirements laid out in the Procurement Plan and Code. We may also share additional relevant information where doing so would be helpful to industry, provided the information is not confidential or commercially sensitive. This could be through our Market Operations Weekly Report, our monthly reporting available on the Authority's website, or on an ad hoc basis.

Question 16: Do you support our proposed approach to on-demand testing?

Comments	Transpower Responses
Theme 1: Support for risk-based testing	
Unison, Enel X and Blackcurrent generally supported the proposed risk-based testing provided it is proportionate and focused on demonstrating the contracted service can be delivered reliably.	Noted.

Comments	Transpower Responses
Blackcurrent suggested that where testing is required during a call period, it is scheduled and conducted so that the test itself does not cause a failure to comply with availability requirement.	Noted. Timings for testing will be agreed in advance with the System Operator, either during tender negotiations in the case of initial testing, or prior to the test being carried out, in the case of any additional testing during the call period. Contractual and operational factors will be accounted for during the process of agreeing timings. In general, our preference is for testing to be completed prior to the start of the call period in order to avoid any issues.
Theme 2: Limits on testing frequency	
Enel X, Lastmyle and Simply Energy requested that the System Operator place a cap on testing frequency. Enel X wanted the circumstances defined that would trigger an on-demand test.	The intent is that there will generally be no more than one test per call period, unless performance concerns arise. Any cap on the number of tests, or specific guidelines for circumstances triggering a test, will be outlined in contracts rather than the Procurement Plan. This approach better preserves flexibility for adjustment of these settings as we learn over time. In terms of likely triggers for testing, an example could be if the System Operator becomes aware that there have been substantial changes to a physical asset e.g. an industrial site has publicly notified that it has closed down. Given that this is a new service, we will not be able to provide an exhaustive list of such circumstances.
Lastmyle requested reasonable operational costs should be reimbursable when tested assets pass.	Testing will not be paid for by the System Operator except for under specific conditions laid out in the Procurement Plan. This is consistent with the approach for other ancillary services.
Theme 3: Portfolio-level testing	
Blackcurrent indicated a portfolio-level testing would be preferred.	Amendments have been made to the definition of 'Emergency Reserve equipment' within the Procurement Plan to clarify settings for aggregators. Refer to Appendix B for more detail.

Comments	Transpower Responses
	Details of testing arrangements for aggregated portfolios may need to be agreed on a case-by-case basis. Potential providers may wish to contact us to discuss their proposed testing approach.

Question 17: Do you support our proposed approach to monitoring and verification?

Comments	Transpower Responses
Theme 1: Support for approach	
Unison Networks, Enel X, Blackcurrent, Lastmyle and Simply Energy offered broad support for monitoring and verification proposals.	Support noted.
Unison said the framework should recognise the need to understand interactions between Emergency Reserve response and distributor-controlled load.	The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 2: Metering costs	
Simply Energy said that existing Revenue Meters already deployed to some sites will not meet requirements, so additional metering will need to be deployed. They state that this additional cost will create a natural limit on the size of assets and/or sites where it is economic to participate. Simply Energy also requested further detail "regarding expectations around location of metering on sites where we have a mix of participating and non-participating assets. Will compliance be assessed at the 'participating asset' level rather than at the site level?"	Our intention is for metering requirements to be similar to those for Interruptible Load and we would foresee broadly similar asset types taking part. We note that other respondents propose participating with portfolios of smaller assets. Case-by-case discussions may be necessary in order for us to understand the barriers to participation and this will likely surface reasons as to why preferences appear to be different for different providers.

Question 18: If you are a potential provider of Emergency Reserve, are the suggested requirements technically feasible for you? To what extent would metering or other hardware upgrades be required for your assets to participate in the scheme?

Comments	Transpower Responses
Theme 1: Requirements generally feasible	
Enel X, Blackcurrent, Lastmyle and Simply Energy indicated requirements are achievable. Simply Energy stated that consistent with its answer to Question 17, the requirements will require an investment at any participating site and will therefore limit which assets are likely to participate.	Noted.
Unison said where resources are connected through an EDB network, the technical arrangements should recognise the potential interaction with existing distribution control systems.	Such arrangements will be worked through during the tender process. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process.
Theme 2: Aggregated telemetry	
Lastmyle requested confirmation that aggregated telemetry from multiple sites is acceptable for verification. They noted that one-minute data logging is fully supported by their software and smart control hardware. However, it requested confirmation that aggregated telemetry from multiple sites is acceptable for verification, and that FlexPoint offers and maintains clear, automated software connections to support servicing this new market.	The System Operator will require further details on the aggregation and metering setup proposed before giving a final determination on whether any particular monitoring regime is suitable. Any providers planning to use aggregated telemetry should contact us to discuss their specific situation. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers may include consideration of a provider's ability to self-certify. A component of any such consideration will be an assessment of a provider's monitoring and metering capabilities.

Question 19: Do you have any comments on our proposals regarding baselining? If you are a potential provider, you may wish to include examples relating to particular assets that may participate in the scheme.

Comments	Transpower Responses
Theme 1: Flexible baseline methodologies	
Unison Networks, Enel X and Blackcurrent supported flexible, resource-specific baseline approaches, recognising that different resources will require different methodologies. Unison suggested baseline methodologies account for: • distributor load control; • other committed flexibility; • changes in operating conditions; • aggregated resources; and • load substitution between feeds where relevant. Enel X recommended that baselining methodologies: • accurately reflect normal operating behaviour; • accommodate variable industrial and commercial loads; • minimise opportunities for gaming; • provide clear dispute resolution pathways; and remain subject to future refinement as experience is gained.	Noted. Baselines will be agreed individually during contracting (see paragraph 182 of the consultation paper).
Blackcurrent supported excluding the pre-activation window from baseline lookback, and "a directly metered response should be available as a methodology in its own right."	Paragraph B128 of the Procurement Plan has been updated, with the reference to use of consumption and generation data removed. If the agreed baselining methodology does require use of consumption or generation data, the System Operator may add this provision to the ancillary service procurement contract for that provider. On the comment regarding timing of the baseline lookback, this will form part of the baselining methodologies to be agreed during contracting.

Comments	Transpower Responses
Theme 2: Preventing gaming and double counting	
Unison, Enel X, Blackcurrent, Lastmyle and Simply Energy placed an emphasis on baseline methodology transparency and avoiding manipulation. Simply Energy advocated for the Emergency Reserve scheme to adopt the same baseline that is being enforced through the LocalFlex competitions as the default.	Noted.
Theme 3: Aggregated resources and DER complexity	
Unison, Blackcurrent and Lastmyle requested that baseline methodologies take into account embedded solar, batteries, aggregated resources and EDB interactions. Lastmyle asked for clarification regarding whether baseline calculations and one-minute record formats will be required for each individual device or whether there is provision for them to be calculated by aggregating the total traded asset pool. Simply Energy also wanted to understand what the expectations are regarding metering at sites with multiple feeders into the site. For example, would provision of the Revenue meter data at all incomers to the site be sufficient to manage this risk? Or would all incomers require the proposed metering resolution for participation?	The System Operator will consider appropriate baselining methodologies on a case-by-case basis in Year 1. This will be discussed with individual providers as part of tender negotiations. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers may also include consideration of a provider's ability to self-certify. A component of any such consideration will be an assessment of a provider's monitoring and metering capabilities. Baselines will be agreed on a case-by-case basis, which allows flexibility to take into account factors such as those raised by Lastmyle. On Simply Energy's question, this is dependent on the specific site setup. Potential providers with sites with multiple feeders should get in touch with us to discuss further.

Question 20: Do you have any comments on our proposed approach to enforcement and penalties?

Comments	Transpower Responses
Theme 1: EDB perspective	
ENA said that where Emergency Reserve resource is also affected by EDB load control, or by customer responses to EDB signals such as control	Noted. Please also see answer to Question 19, Theme 1.

Comments	Transpower Responses
period demand pricing, the baselining methodology should ensure that these responses are appropriately reflected and that the Emergency Reserve delivered is genuinely additional.	
Theme 2: Proportionate penalties	
Lastmyle raised concerns that minor software communication delays should not trigger a total fee loss or contract cancellation if the actual physical power reduction was successfully delivered to the grid. Lastmyle stated that a one-sized-fits-all approach to penalties, or penalties based on historic sources of flex provision, may discourage innovative participants. Blackcurrent raised concerns that losing all event fees for notification failures is too severe.	If communication delays mean that pre-activation or activation notifications are not acknowledged within the required timeframe, the consequence is that the Emergency Reserve response cannot be relied upon, as the System Operator will not be able to determine whether this is due a communications issue or genuine availability issue. The System Operator will then need to take other actions, which will incur costs. We note that acknowledgement is not expected to be instantaneous and the required timeframes will be reflected in the contracts. These timeframes are intended to be long enough to accommodate normal delays inherent in communications equipment. The response time for activation is 25 minutes, so we do not believe that minor software communication delays should be an issue in delivering within this timeframe.
Theme 3: Bona fide	
Unison noted that from an EDB perspective, it is important that providers are not penalised for circumstances genuinely outside their control, including a bona fide distribution network event that prevents delivery. However, they recognise that providers should be accountable where contracted flexibility is unavailable because of arrangements within their control or because the same resource has been committed elsewhere.	Paragraph B118.4 states that failing to provide required emergency reserve response is not a failure to comply with performance requirements if it is due to a bona fide physical reason. "Bona fide physical reason" is a term defined in Part 1 of the Code, with part (bb) of the definition applying to Emergency Reserve. In brief, this covers "reasonably unforeseeable" loss of capability to provide the service, although we note that potential providers should consult the Code directly to ensure they fully understand their obligations under it.

Question 21: do you support our proposed approach to fees?

Comments	Transpower Responses
Theme 1: Support for availability and event fees	
Enel X, Blackcurrent, Lastmyle and Simply Energy responded with support for the proposed fee structure. Unison said fee arrangements should not create incentives for behaviour that could adversely affect distribution network operations. Blackcurrent said that the System Operator's reasoning at paragraph 116 (of the consultation paper) - that the aggregator is well placed to carry that risk - is correct, but it is only correct where availability revenue makes the risk bearable. Without an availability fee, the risk would have to be passed to asset owners, who are far less able to absorb it, and participation would suffer.	Noted.
Theme 2: Tender evaluation transparency	
Enel X requested clarity on how different fee structures will be evaluated and what assumptions will be made. It encouraged the System Operator to publish these assumptions prior to the commencement of tendering so that participants can appropriately structure their offers and better understand how bids will be evaluated.	Given that it is the first year the service is being procured, there is limited information available to the System Operator to inform a detailed evaluation structure at this stage. There is unlikely to be a fixed assumption about number and duration of events. Given that Emergency Reserve is designed to cover very low likelihood, high impact events, we are unlikely to evaluate tenders against a single assumed scenario but rather will consider a range of possible scenarios.
Theme 3: Broader market benefits	
Simply Energy ask whether any consideration has been made as to how the savings from a reduced wholesale purchase position could be calculated and shared? It encouraged the System Operator to work with the Authority to confirm if and how these impacts will be addressed.	Noted. We will consider this with the Authority including to inform the post-implementation review following the Year 1 call period.

Question 22: Do you have any drafting suggestions for our proposed amendments?

Comments	Transpower Responses
Theme 1: EDB coordination language	
Unison recommended that the Procurement Plan or associated tender/contract documentation make clear that: • providers must identify material interactions with distributor load-control systems; • contracted resources must be genuinely available when activated; • Emergency Reserve participation should be designed and operated to minimise adverse impacts on distributor operational requirements and network security; • the System Operator may consider distribution network impacts when evaluating tenders; and • restoration arrangements may need to account for material distribution network constraints.	The System Operator believes these are best addressed through contracts and tender documentation rather than the Procurement Plan. We have however, decided to include the ability to specify maximum ramp rates for Emergency Reserve activation and restoration in Emergency Reserve provider contracts. These may be informed by host EDB's operational concerns. Comments relating to interactions with distribution networks will generally not affect the Procurement Plan directly, but will be considered by the System Operator as part of the wider implementation. The pre-contract technical review (paragraph 48) of potential Emergency Reserve providers will include consideration of impacts on EDB network operations and the host EDBs will be included in this process
Theme 2: Technical drafting improvements	
Blackcurrent proposed a change to paragraph B129.2, which requires that the method for calculating the baseline profile 'use past consumption or generation data (as applicable) as an input'. Where a response is directly metered against an operating schedule fixed at pre-activation, or against a zero baseline for an otherwise idle resource, Blackcurrent state that past consumption data is not a necessary input and that requiring it adds nothing. Blackcurrent suggest the requirement be expressed as applying to the extent relevant to the method adopted, leaving the suitability test in B129.1 and the agreement requirement in B129.3 to do the work.	See response to Question 19 Themes 1, 2 and 3.
Blackcurrent proposed a change to paragraph B118. They suggest the obligation be expressed by reference to the provider's ability to deliver the contracted quantity, rather than to the capability of individual equipment,	We have amended the definition of "emergency reserve equipment", in order to clarify the treatment of aggregated equipment. The System Operator's intention is that if the contracted quantity is delivered, then this will be considered compliant regardless of whether

Comments	Transpower Responses
so that a portfolio provider holding headroom is not deemed in material breach by an asset outage that does not reduce delivered quantity. Lastmyle suggested updating paragraph B122 to clarify that while individual assets may go offline for repairs, an aggregator stays fully compliant as long as the overall contracted MW reduction is achieved across the wider pool.	some assets within an aggregated group were unavailable. Our intention is that aggregators may manage periods of unavailability for different assets within a group in order to deliver the contracted quantity of Emergency Reserve.

Question 23: Do you agree the benefits of the proposed amendments to the Procurement Plan can reasonably be expected to outweigh its costs?

Question 24: Are there any other options we should consider? Please explain your preferred option in terms consistent with the Authority's statutory objective in the Electricity Industry Act 2010.

Question 25: Do you agree that the proposed amendment complies with section 32(1) of the Act?

Comments	Transpower Responses
Theme 1: General support	
Respondents generally either agreed that the proposed amendment was compliant, or did not comment. Simply Energy said any cost benefit analysis is best undertaken by the Authority in conjunction with the System Operator.	Noted. The Authority completed its cost-benefit analysis as part of its decision to amend the Code to establish Emergency Reserve as a new ancillary service, and will further assess the merits of our Procurement Plan amendment proposal before deciding whether to approve it.
Theme 2: Support but with suggestions for future consideration	
Enel X encouraged Emergency Reserve to become a foundation for broader demand response participation. They believe that the benefits are likely to increase over time if the programme successfully stimulates broader investment in demand-side flexibility and creates a foundation for future market development. Enel X noted that a broader demand response framework has the potential to:	Noted.

Comments	Transpower Responses
• reduce wholesale price volatility; • improve market competition; • support renewable integration; • reduce peak demand; • defer infrastructure investment; and • improve consumer outcomes. Lastmyle supported the changes but said that the scheme's form, as proposed, it may limit the ability to secure new and non-traditional sources of flexibility, which could otherwise further advance these objectives.	

Appendix B: Post-Consultation Changes

This table shows changes relative to the original proposal as outlined in the consultation paper.

Very minor drafting changes (bolding of terms, changes to numbering, addition/removal of "and"/"or" where it does not change the meaning) have not been included below.

Paragraph number (original)	Paragraph number (new)	Detail of change	Reason for change
B114.2.1	B114.2.1	B114 The **ancillary service agent** must: […] B114.2 subject to paragraph B115 when the **ancillary service agent** receives an **activation notification** within the period specified in a preceding **pre-activation notification** that was sent within the timeframe specified in paragraph B116: […] B114.2.1 provide an **emergency reserve response** of at least the contracted quantity and within any rate of change specified in the **ancillary service** procurement contract, starting at or before the beginning of the **trading period** after the **activation notification** is sent; and	This gives the System Operator the option to specify maximum rates of change in power generation/consumption at activation, in order to avoid large step changes that may affect system frequency. This change has been added to address concerns surfaced during the wider implementation process which has been ongoing alongside the Procurement Plan review. This change may also help to mitigate some concerns voiced by ENA and Unison in their submissions.
n/a	B114.4	B114 The **ancillary service agent** must: […]	This gives the System Operator the ability to specify a maximum rate of change at restoration. This is in line with the change

Paragraph number (original)	Paragraph number (new)	Detail of change	Reason for change
		B114.4 upon receiving a **restoration notification**, end the **emergency reserve response** within any rate of change specified in the **ancillary service** procurement contract.	to paragraph B114.2.1 to allow for a maximum rate of change at activation. Note this paragraph does not mean that the restoration must occur within a particular period of time after the restoration notification is received, but rather that when restoration does occur, it should not exceed the specified maximum rate of change.
B115	B115	B115. The **ancillary service agent** is not required to provide an **emergency reserve response**: B115.1 for any **trading period** outside the **call period**; or B115.2 for longer than the relevant maximum response time specified in the **ancillary service** procurement contract (if any).	This gives an option for the System Operator to specify a maximum activation event duration. The value chosen may vary from year to year. If specified, the value will be announced prior to tender and recorded in the ancillary service procurement contracts. For the avoidance of doubt, the System Operator is not obligated to set a maximum duration under the new wording. It is unlikely that a maximum duration value will be set for Year 1. Final decisions on this matter for Year 1 will be announced prior to tender. The proposed wording gives flexibility for scheme settings to be adjusted each year depending on feedback from potential providers, changing operational needs, and learnings over time.

Paragraph number (original)	Paragraph number (new)	Detail of change	Reason for change
B122	n/a	~~B122. There are no **allowed outages** for **emergency reserve equipment**.~~	The consultation responses indicate that paragraph B122 introduced potential confusion for aggregators. The intended meaning was that the contracted Emergency Reserve response must be available at all times during the call period. This requirement is already covered off by the performance requirements set out in the Procurement Plan, so paragraph B122 has been removed to avoid confusion.
B123 and B124	B122 and B123	B122. The **ancillary service agent** must use reasonable endeavours to minimise the duration and frequency of any outage that affects the **ancillary service agent's** ability to provide the contracted quantity of **emergency reserve**. B123. In the event of any outage that may compromise the **ancillary service agent's** ability to provide the contracted quantity of **emergency reserve**, the **ancillary service agent** must: B123.1 comply with paragraph B118; B123.2 determine and rectify the cause of the outage as soon as practicable, and notify the **system operator** when the outage is rectified; and B123.3 use reasonable endeavours to continue to provide the contracted quantity of **emergency reserve**.	See above. This change clarifies that these clauses are concerned with the ability to provide Emergency Reserve in the contracted quantity specifically, rather than a variable quantity (such as the quantity specified in the pre-activation acknowledgement for example).

Paragraph number (original)	Paragraph number (new)	Detail of change	Reason for change
B128.2	n/a	B128. The method for calculating the **baseline profile** must: B128.1 be suitable for the relevant type of **emergency reserve equipment**; and ~~B128.2 use past consumption or generation data (as applicable) as an input, and may also use other data, such as weather conditions; and~~ B128.2 be agreed between the **system operator** and **ancillary service agent** during pre-contract technical review.	Not all baselining methodologies require the use of past consumption or generation data. Where the agreed baselining methodology does require this, a similar term may be included in the ancillary service procurement contract.
B139	B138	B138. If the **ancillary service agent** fails an **on-demand test** of **emergency reserve equipment** or monitoring equipment, the **ancillary service agent** will be deemed not to have complied with the performance requirements from the start of the **billing period** in which the **on-demand test** was carried out until the **on-demand test** is passed.	Ensures the type of test is specified, for better clarity.
B140	B139	B139. If the **ancillary service agent** provides a **self-certification** to the **system operator** that shows the **ancillary service agent** may not be capable of meeting a performance requirement, the **ancillary service agent** will be deemed to have failed to comply with the performance requirements from the start of the **billing period** in which the **self-certification** was provided, until such time as the **ancillary services agent** completes and provides to the **system operator** a ~~test~~ **self-certification** and test results showing that the **ancillary service agent** is capable of meeting the performance requirement ~~is passed~~.	Minor drafting amendment not related to consultation feedback.

Paragraph number (original)	Paragraph number (new)	Detail of change	Reason for change
Glossary	Glossary	**"emergency reserve equipment"** means equipment, which may be an aggregation of equipment located in the same island, used to provide **emergency reserve**, ~~whether~~ including load sources or **generating units**, but excluding monitoring equipment;	The new wording is intended to provide better clarity for aggregators. The term "emergency reserve equipment" can apply to an aggregation of equipment, meaning other requirements throughout the procurement plan then apply to the equipment in aggregate, rather than necessarily applying to individual assets.

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