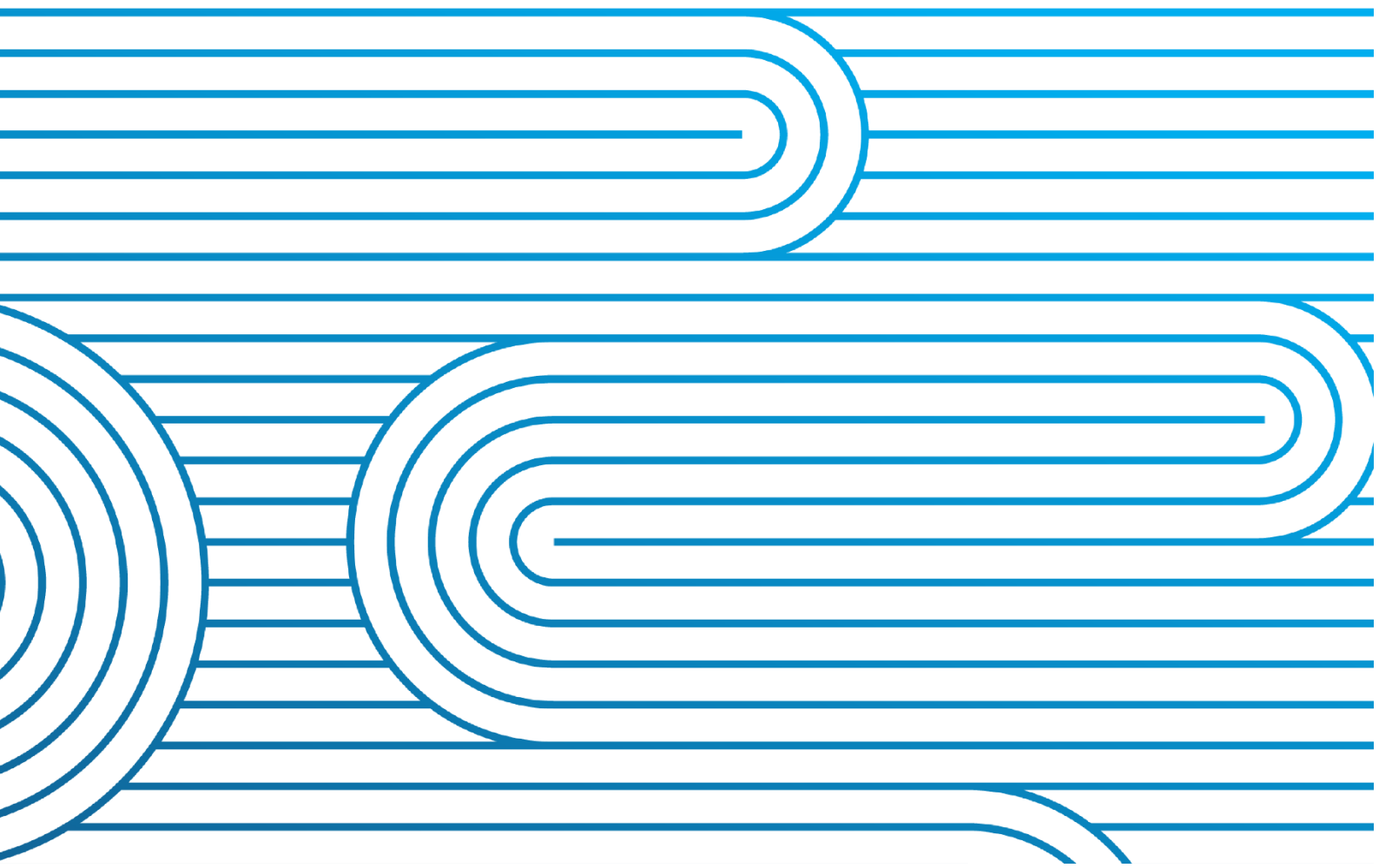


Generation Connection Prioritisation Guideline

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1. Purpose

This Guideline establishes a principles-based framework for prioritising, and where appropriate accelerating, generation connection projects where a quantified Security of Supply (SoS) need has been identified by the System Operator.

The Guideline is intended to provide a repeatable, transparent, and defensible basis for considering whether projects across the generation connection pipeline may be progressed earlier in limited and defined circumstances where system security requires intervention, while preserving Transpower's open access regime and avoiding policy or technology bias. This guideline works alongside Transpower's Connection Management Framework (CMF).

2. Scope

This Guideline:

- Applies only where the System Operator has identified and quantified a SoS requirement.
- Applies only to generation connection pipeline, including Application and Investigation managed under the CMF.
- Does **not** replace or amend the CMF; rather, it formalises how existing flexibility within the CMF may be exercised.
- Does **not** itself establish economic merit ranking, technology preferences, or broader guideline objectives.

Outside these circumstances, generation connections will continue to be progressed in order of receipt in accordance with the CMF.

3. Guideline principles

Prioritisation decisions under this Guideline must be guided by the following principles:

- **Electricity system-need driven.** Prioritisation must be triggered by a quantified security of supply requirement identified by the System Operator.
- **Technology neutral.** All generation technologies, fuels, ownership structures, and business models will be considered. Assessment will focus on the extent to which a project can provide the system attributes needed to address the identified SoS need.
- **Minimum intervention.** Only the minimum credible project or portfolio of projects necessary to address the SoS requirement should be prioritised.
- **Transparency and consistency.** Decisions should be made with clear accountabilities, proportionate documentation and executive oversight.
- **Deliverability and operability.** Prioritised projects must demonstrate sufficient readiness as defined in the CMF to support delivery within the required timeframe, and operationally feasible for the power system.

- **Reciprocal commitment.** Projects benefiting from prioritisation must provide binding commitments to deliver the capability that resulted in the prioritisation.
- **Preservation of open access.** The framework must operate consistently with Transpower's open access obligations and regulatory requirements.

4. Trigger for prioritisation

Prioritisation may only be activated where the System Operator has identified a SoS need. The prioritisation process would then assess whether a project or portfolio of projects could meet that need. In that case, the System Operator would be expected to produce a statement that:

- Identify the system security risk;
- Specify the required service and quantity (e.g. MW of firm capacity, peak contribution, energy and location); and
- Specify the required delivery timeframe.

Absent a determination from the System Operator, no prioritisation action or sequencing adjustment may occur under this Guideline.

The underlying SOS need identified by the System Operator may be subject to periodic review, typically on a semi-annual basis, to confirm whether the need remains and whether any further prioritisation action is required.

5. Governance framework

5.1 Assessment Group

A cross functional Assessment Group is responsible for technical assessment of candidate projects and for making recommendations on whether a project or portfolio of projects should be prioritised to address the System Operator-identified Security of Supply need.

Role:

- Conduct whole-of-queue technical screening;
- Assess alignment of projects with the SoS requirement;
- Evaluate project readiness, deliverability, operability, and sequencing impacts; and
- Form recommendations for governance consideration.

5.2 EGM Decision-Makers

Final decision-making authority rests with the CE, after consideration and discussion with the relevant EGMs. Decisions may be made through approval of a memorandum where appropriate.

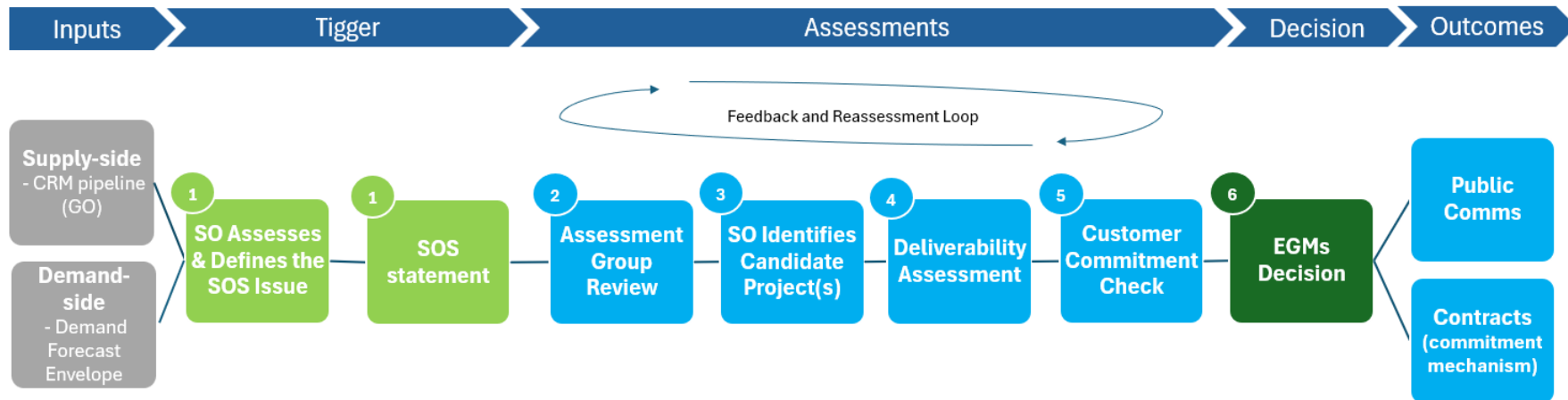
Role:

- Consider Assessment Group recommendations;

- Review organisational, financial, regulatory, and stakeholder impacts;
- Determine whether prioritisation and queue adjustment is justified; and
- Authorise progression of accelerated projects.

6. Prioritisation process

6.1 Process flow



6.2 Process overview

The framework operates through six structured stages, spanning trigger, assessment, candidate identification, commitment check and executive decision-making.

Stage	Descriptions	Output	Lead
1	SO Assesses and Defines the SoS Issue The System Operator identifies and quantifies a security of supply requirement with considerations on system conditions, specifying: • The required MW; • The required timing; and • The nature of the service (e.g. firm capacity, peak contribution, or energy). Only where such a requirement is confirmed does the prioritisation framework activate.	Confirmed SoS requirement (SoS Statement – e.g., Electricity Security Opportunities Statement).	SO-led

Stage		Descriptions	Output	Lead
2	Assessment Group Review	A whole-of-pipeline technical screening of the generation pipeline, including projects in application and investigation stages, is undertaken to identify projects aligned with the SoS requirement. This includes: - Identifying projects, particularly those in investigation, that may be capable of earlier delivery. - Identifying projects, including those in investigation, that do not materially contribute to resolving the SoS requirement. - Removing projects misaligned with the required service characteristic or timeframe (e.g. where a firm capacity need is identified, projects that do not provide firm capacity may be filtered out); - Excluding non-credible or projects that are on hold. This would be a high level 'yes'/'no' type assessment.	Longlist of technically relevant and credible candidate projects.	Joint (Assessment Group)
3	SO Identifies Candidate Project(s) / Portfolio	From the longlist, the System Operator assesses which projects, working down from projects in investigation through to those in the application stage, could contribute to reducing the identified system risk. The System Operator identifies the project(s) or combinations capable of resolving the SoS requirement within the required timeframe.	Candidate project(s) / portfolio options.	SO-led
4	Deliverability & Operability Assessment	Shortlisted project(s) are subject to structured feasibility testing to assess grid deliverability and system-wide operational planning impacts. Where multiple projects or portfolios are otherwise equally capable of addressing the SoS requirement, relative progression and delivery readiness may be considered in forming recommendations. This assessment includes: - Validation against the SoS timeframe; - Acceleration feasibility; - Resource and delivery constraints, including long-lead equipment, outage requirements and the translation of the SoS timeframe into required staging dates across application, investigation, and construction; and - Impacts on other customer and Transpower works, including targeted mitigations that could support earlier delivery.	Deliverable project(s) aligned to SoS requirement.	GO-led

Stage		Descriptions	Output	Lead
5	Customer Commitment Check	Accelerated projects must agree to provide binding commitments to delivery, including: • Timeframe commitment; • Output capability commitment; • Proportionate financial security to support delivery of the agreed outputs; • Consent readiness or a clear pathway to consent. • Dependencies and progress of other developments that the customer may have.	Projects willing to make binding commitments ready for executive decision.	GO-led (with Customer engagement)
6	EGMs Decision and CE approval	Following completion of the assessment stages, the relevant EGMs reviews the candidate project(s) and determines whether prioritisation is warranted to address the identified SoS requirement.	Approved prioritisation decision	Relevant EGMs

6.3 Iterative review

The Assessment Group may revisit earlier stages where:

- Deliverability constraints emerge;
- Commitment thresholds are not met; or
- Sequencing impacts require reconsideration.

This ensures alignment between system need, feasibility, and commitment prior to executive endorsement.

6.4 Decision and implementation

Following completion of the assessment stages, the relevant EGMs will decide whether recommendation to the CE for project prioritisation or targeted acceleration should proceed.

Where approved:

- Accelerated contractual arrangements may proceed;
- Targeted actions may be taken to support earlier investigation or delivery; and
- Limited sequencing adjustments may be made strictly to the extent necessary to address the SoS requirement.

6.5 Commitment and contractual mechanisms

Detailed commitment mechanisms will be used to incentivise developers to deliver on the proposal that was chosen to be accelerated. The specific mechanism may vary on a case-by-case basis. Annex A provides examples from other jurisdictions' approach to commitment mechanisms, including milestones, performance bonds and security deposits. Legal advice will be obtained prior to implementation of any specific contractual performance mechanisms to ensure it is enforceable and achieves the intended outcomes.

6.6 Stakeholder Communication and Transparency

Transparent communication with affected customers and stakeholders will be maintained throughout the prioritisation process.

Communication will occur at key stages of the process, including:

SO statement to the GO

- Notification to the GO outlining the identified system security need, required service, and delivery timeframe. This may be communicated either through a standalone statement (e.g., Electricity Security Opportunities Statement) or through the relevant SOSA opportunities timeframe.

Assessment and Candidate Identification

- Engagement with projects identified as potential candidates for re-prioritisation to confirm capability, deliverability, and willingness to commit.

Pipeline Implications

- Where prioritisation may affect the sequencing of other projects in the pipeline, affected customers will be informed of the potential implications.

Prioritisation Decision

- Following endorsement by the relevant EGMs, affected customers will be notified of the prioritisation outcome, including:
 - Projects selected for re-prioritisation; and
 - Any consequential adjustments to project timing or sequencing.

Public Communication

- Where appropriate, prioritisation outcomes may be communicated publicly to maintain transparency with market participants and stakeholders.

All prioritisation decisions and supporting assessments will be documented to ensure transparency and auditability.

7. Review

This Guideline will be reviewed periodically or following material changes to regulatory requirements, system conditions, governance arrangements, or practical experience in applying the framework.

Annex A

International examples of commitment mechanisms

Region	Organisation	Mechanism	Illustrative Commitment Features	Source
United States (Federal)	Federal Energy Regulatory Commission (FERC)	Interconnection queue reform under Order No. 2023 requiring readiness and deposit requirements	Order No. 2023 introduces staged readiness requirements designed to ensure projects progressing through the interconnection queue demonstrate credible commitment. Features include: • Study deposits scaled to project size; • Commercial readiness deposits linked to network upgrade cost exposure; • Withdrawal penalties where project exit materially affects other projects; and • Evidence of site control or other indicators of project readiness.	FERC Order No. 2023 – Improvements to Generator Interconnection Procedures and Agreements
United States (Federal)	FERC / Order No. 2023-A	Clarification of acceptable financial security forms	Order No. 2023-A clarifies that commitment requirements may be satisfied through recognised financial security instruments such as cash deposits, irrevocable letters of credit or surety bonds, reinforcing financial commitment as an indicator of project viability.	FERC Order No. 2023-A clarification
Great Britain	Ofgem – Connections Reform (TM04+)	Queue prioritisation with readiness criteria	The TM04+ reform introduces readiness-based prioritisation in the connection queue. Commitment indicators include: • Demonstration of project milestones and development progress; • Evidence of project viability (such as planning progress); and • Removal or re-sequencing where readiness criteria are not met.	Ofgem Decision on Connections Reform Package
United States (Regional example)	ISO-NE	Transitional cluster process with readiness deposits	Regional implementation of queue discipline mechanisms includes: • Readiness deposits in the range of approximately USD 250k–500k; • Study deposits based on project size and technology; • Escalating commitment requirements tied to project progression through cluster study stages.	ISO-NE cluster readiness requirements

