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Electricity Authority Wellington 5 September 2025

By email: OperationsConsult@ea.govt.nz

Permanent Code change to the System Operator's information gathering powers for security of supply

Transpower welcomes the opportunity to submit to the Authority's consultation *Review of urgent Code amendments to the System Operator's information gathering powers*, published 8 August 2025. This submission is from Transpower in its role as System Operator.

We strongly support the Code change to clause 9.18, made under urgency, becoming permanent. Otherwise, its expiry on 14 December 2025 means losing all the advantages realised for Winter 2025 security of supply information, for Winter 2026 and beyond.

The Code change is very important so that the System Operator can meet the expectations of the industry, regulators and officials by providing timely, useful and accurate security of supply information. In our view permanently extending the System Operator's information gathering powers to include the Security of Supply Forecasting and Information Policy (SOSFIP) and the Emergency Management Policy (EMP) is critical for us to deliver our statutory responsibility to provide information and forecasting on all aspects of security of supply, and to manage supply emergencies.¹

Since the urgent Code amendment² was approved by the Authority we have been able to source information about thermal fuels contracting arrangements confidentially from participants. This has enabled us to provide a transparent, aggregated view of the extent to which the market has utilised the potential of thermal fuels to mitigate forward energy risks. We have, for example, reported on the gap between thermal fuel supplies that generators have contracted for, and the assumed physical capabilities to source those fuels. We have provided this information through our monthly Energy Security Outlooks (combining the electricity risk curves and simulated storage trajectories) and our quarterly Security of Supply Outlooks.

Submissions to our SOSFIP review issues paper³ strongly supported that providing this type of reporting should be a requirement on the System Operator through a potential amendment to the SOSFIP. Our upcoming SOSFIP review consultation paper will engage

¹ Electricity Industry Act 2010 clause 8 (2).

² Provision of information to system operator - Gazette notice.pdf.

³ System Operator -SOSFIP review Issues Paper Summary and Decisions - April 2025,pdf.

further with industry on this topic. The opportunity to take the SOSFIP amendment forward is contingent on this Code amendment becoming permanent.

Making the amendment permanent will also enhance our ability to collect information from participants and potential participants to inform our annual Security of Supply Assessments (SOSA).

Yours sincerely

Rebecca Osborne Head of Market Services

Appendix – Response to Questions

Submitter	Transpower NZ Ltd.
Questions	Comments
Q1. Do you agree the issues identified by the Authority are worthy of attention?	Yes. Despite clause 6.9 of the SOSFIP requiring that participants should provide information relevant to the electricity risk curves to the System Operator, the clause was not binding and voluntary information provision from participants was inconsistent.
Q.2 Do you agree with the objectives of the proposed amendment? If not, why not?	The objectives of making the urgent Code amendment permanent are to promote market confidence in security of supply, thermal fuel transparency and effective risk management. We agree with these objectives.
Q3. Do you agree the benefits of the proposed amendment outweigh its costs?	Yes. The benefits of the information provision to planning and response, market co-ordination and system security will support confidence in a reliable electricity supply. We agree that the benefits outweigh the administrative cost of information collection processes.
Q4. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	Yes. The alternative options are to (1) let the urgent Code amendment expire (2) amend the Electricity Industry Act for information provision (3) use the Authority's general <i>market facilitation</i> function to require information. None of these options deliver timely thermal fuel information in an efficient way.
Q5. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Yes.
Q6. Do you have any comments on the drafting of the proposed amendment? See Appendix B	No. The drafting as proposed for the urgent code change was fit for purpose and no changes to that drafting have been made.