Market Operations

Monthly Service Provider Report

December 2008

This report details monthly information in relation to the wholesale information & trading system, clearing manager, pricing manager and reconciliation manager functions performed by M-co under contract to the Electricity Commission.

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1. Introduction

1.1 Purpose

This report details monthly information in relation to the wholesale information & trading system, clearing manager, pricing manager and reconciliation manager functions performed by M-co under contract to the Electricity Commission.

This report has been prepared in accordance with sections 44 and 45 of the Electricity Governance Regulations 2003 and contains the core reporting requirements plus additional market information that will be of interest to the Board.

1.2 Contact Details

The following is a list of contact details for further information or questions pertaining to this report:

General Queries
Shane Dinnan, General Manager Market Operations +64 4 498 0052

WITS Market Information System
David Godfrey, Information Technology Manager +64 4 498 0048

Clearing & Settlement
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Pricing
Ashley Milkop, Energy Services Manager +64 4 498 0028

Reconciliation
Zane Doran, Senior Reconciliation Analyst +64 4 498 0044

2. Core Reporting

2.1 Compliance with Regulations and Rules

To the best of our knowledge all M-co service providers complied with their obligations under the regulations and rules during the reporting month with the exception of the reconciliation manager, who after being advised of incorrect published washup volumes relating to August 2008, promptly re-issued the washups.

2.2 Operation of the Regulations and Rules

The M-co service providers have not during the reporting month identified any areas where, in their view, a change to the regulations or rules may need to be considered.

2.3 Compliance with Service Provider Agreements

To the best of our knowledge the M-co service providers have complied with their obligations under their respective service provider agreements during the reporting month.

2.4 Compliance with Agreed Performance Standards

2.4.1 Wholesale Information & Trading System Manager (WITS/COMIT)

Measure	Achieved This Month	Standard
WITS/COMIT availability	**100%**	99.72%
WITS/COMIT 6-month availability	99.94%	99.72%
WITS/COMIT file upload availability	**100%**	99.72%
Average time to publish PDS	4min 36secs	7mins
Average time to publish dispatch prices	29secs	1min
Average time to publish provisional/final prices	19secs	1min 30secs

The target level of 99.72% relates to the equivalent of no more than two hours of outages per calendar month. Core functionality denotes all the systems and facilities necessary to fulfil the wholesale information system requirements of the EGRs as part of the Wholesale Information & Trading System service provider agreement.

2.4.2 Clearing Manager

Measure	Achieved This Month	Standard
Wash-up notifications distributed to parties by 5th business day of each month	Yes	92%
Invoices released by 6pm on 9th business day	Yes	92%
Constrained on/off amounts released to System Operator by 9am on 8th business day	Yes	92%
Amounts payable to payees sent through to the bank by 5:30pm on settlement day	Yes	92%
Number of invoice calculation errors	0	0
Number of security level calculation errors	0	0

The target level of 92% relates to the equivalent of no more than one instance of missing the deadline within a twelve-month period. The zero standards indicate that the Board expects there to be no calculation errors, in either invoices or the establishment of security levels.

2.4.3 Pricing Manager

Measure	Achieved This Month	Standard
Final prices published by 9:22am if no provisional price situation exists	100%	97%
Provisional prices published by 10:22am if provisional price situation exists	100%	97%
Final prices published within 2 hours 30 minutes of a System Operator/Grid Owner fix to a provisional price situation	100%	97%
IT processing time to publish final prices within 3 minutes 15 seconds of sending	100%	97%
Number of price processing errors	0%	0%

The target level of 97% relates to the equivalent of no more than one instance of missing a listed deadline within a calendar month. The zero percent standard indicates that the Board expects there to be no errors caused by the pricing manager in the calculation of prices.

2.4.4 Reconciliation Manager

2.4.4.1 System Performance

Parameter to be measure	Performance requirement	Performance achieved	Requirement met	Rule ref
System availability to participants	99.5% min	100%	Yes	
Preferred availability	99.8% min	100%	Yes	
Number of corrective maintenance jobs carried out	Number	0	Yes	
All confirmations of files being received and validated reported back to participants within 10 minutes of file receipt	100%	100%	Yes	
All confirmations of files with errors reported back to participants within 10 minutes of file receipt	100%	100%	Yes	
Disaster recovery and backup obligations	100%	100%	Yes	

The system must be available to receive and provide information 24x7, with the exception of planned outages. The target level of 99.5% relates to the equivalent of the system being unavailable for 3.5 hours within a calendar month. The

target level of 99.8% per calendar month is preferred, which is the equivalent of the system being unavailable for 1.5 hours.

2.4.4.2 Operational and Rules Performance

Parameter to be measured	Performance requirement	Performance achieved	Requirement met	Rule ref
Reconciliation manager notified registry of changes to balancing areas	Within 1 business day	Within 1 business day	Yes	Part E schedule E1 rule 7.2
Number of new NSP's allocated and advised to registry	Report	Reported	Yes	Part E schedule E1 rule 7.2
New and decommissioned NSP's allocated, and changes to existing NSP's notified to registry	Within 1 business day	Within 1 business day	Yes	Part E schedule E1 rule 8.2
Reconciliation manager reports to reconciliation participants, participants and the Board for revision submissions	12:00 hours on the last business day of the month	Before 2:30pm on 30 December	Yes	Part J4 rule 14
Provision of reconciliation information for revision submissions	12:00 hours on the last business day of the month	Before 2:30pm on 30 December	Yes	Part J4 rule 15
Publish half hour profile shape day for profiles for revision submissions	12:00 hours on the last business day of the month	Before 2:30pm on 30 December	Yes	Part J4 rule 15.5
Number and details of service provider rule or agreement breaches and details for the previous months day 13 revision submissions	13:00 hrs on the 2nd business day of the month	Reported	Yes	Part J rule 13.1

Parameter to be measured	Performance requirement	Performance achieved	Requirement met	Rule ref
Clearing manager and reconciliation participant reports for the day 13 revision submissions	13:00 hrs on the last business day of each reconciliation period	Before 2:30pm on 30 December	Yes	Part J4 rule 15
Publication of forward and historic estimates proportion for each balancing area for each participant.	13:00 hrs on the 7th business day of the month	N/A	N/A	Part J3 rule 4
Number and details of service provider rule or agreement breaches and details for the day 4 interim data submission	13:00 hrs on the 9th business day of the month	Reported	Yes	Part J rule 13.1
Number and details of participant rule breaches and details for the day 4 data submission	13:00 hrs on the 9th business day of the month	Reported	Yes	Part J rule 13.1
Reconciliation manager reports to reconciliation participants, participants and the Board for interim submissions	16:00 hrs on the 7th business day of the month	Before 2:00pm on 9 December	Yes	Part J4 rule 14
Provision of reconciliation information for interim submissions	16:00 hrs on the 7th business day of the month	Before 2:00pm on 9 December	Yes	Part J4 rule 15
Publish half hour profile shape day for profiles for interim submissions	16:00 hrs on the 7th business day of the month	Before 2:00pm on 9 December	Yes	Part J4 rule 15.5
Clearing manager and reconciliation participant reports	16:00 hrs on the 7th business day of the month	Before 2:00pm on 9 December	Yes	Part J4 rule 15

The target levels for operational and rule performance is based on the reconciliation manager fulfilling its obligation under Part E and Part J of the rules.

Additional Information

2.5 IT Systems

2.5.1 Outage Summary

There were no outages (planned or unplanned).
WITS DR testing was successfully completed, without any market outage.

2.5.2 Rule Change Implementations

The Risk Management Contract Disclosure market trial was completed successfully.

2.5.3 Minor System Changes

The following minor system changes occurred during the month:

WITS

- Liaising with Transpower in the implementation of the new MSP systems and continued testing of MSP/WITS interfaces.
- A number of minor ad-hoc reports created.

RECON

- Automated four reports: Levy reports and "Ron's reports". These will now be available via the web portal
- Profiles and profile_classes data changed to bring them into line with rule changes. A code change was required due to a hard-coded value.
- Restarted reconciliation run resulted in incorrect values being generated by reconciliation system.
- Fix applied to Constraints report as it was missing records. It should have been reporting all constraints that were active during the month but in fact was only reporting those which ended during the month.
- Registry NSP Mappings not being uploaded due to non-contiguous data. Reconciliation system should raise a pre-requisite check failure for gaps in NSP table, but does not.
- Prepared system for special revisions by adding revision cycles for the appropriate months to the system.
- Developed a query to compare NSP VOLS to reconciled amounts for use in checking output of reconciliation runs.
- Prepared and provided Seasonal Adjustment Shapes for TMU0111 to EC.

CHASM

- There have been a number of ad-hoc reports and incident resolution.

2.5.4 Other Work

The following other work streams were progressed during the month:

- Finalising a package of system enhancements and investment based on feedback from participants and system users. This includes options for improvements to WITS Free To Air.

2.6 Clearing Manager

2.6.1 Invoicing and Settlement

Monthly settlement (November 2008 billing period settled on December 22):

Amounts Received

Received from Payers	$190,685,106

Amounts Paid

Paid to Payees	$185,307,528
Loss and Constraint Excess	$5,376,405

Total settlement (1 April 04 to 31 December 08):

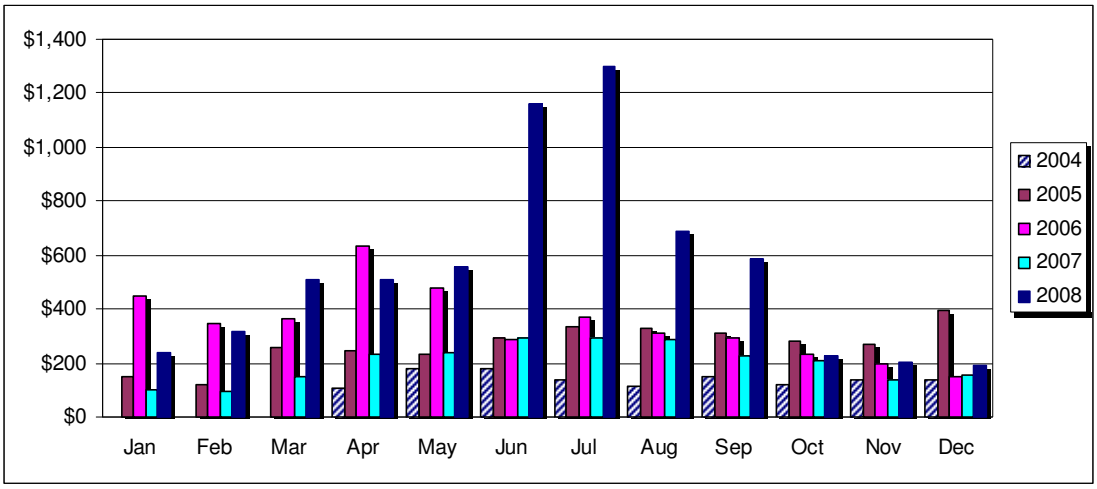
Amounts Received

Received from Payers	$17,528,347,545

Amounts Paid

Paid to Payees	$17,054,184,700
Loss and Constraint Excess	$474,154,014

Graphically, total settlement since April 2004 is as follows:



2.6.2 Security Monitoring

At the end of December 2008 the clearing manager held security of $193,930,568 with the total payers' projected exposure to 27 January 2009 estimated at $40,000,561.

There were 2 calls for security and 0 reductions in security in December.

2.6.3 Ancillary Services

Payments to Ancillary Services Agents in December 2008 for the November 2008 billing period totalled $5,114,237. That amount was made up of the following:

Type	Amount (GST incl.)
Black Start	$37,305
Over-frequency Reserve	$58,842
Frequency Keeping	$2,197,955
Instantaneous Reserve	$2,005,955
Voltage Support	$814,178

Further details and historical and graphical information regarding ancillary service can be found in the system operator monthly service provider report at: http://www.electricitycommission.govt.nz/opdev/servprovinfo/somonthly

2.6.4 Constrained on

Total constrained on for the December 2008 billing period were $407,736. These amounts were paid to generators by the clearing manager and the system operator on the November 2008 invoices issued in December 2008.

2.6.5 Constrained off

Total constrained off amounts for the December 2008 billing period were $840,733. Only constrained on/off amounts that are attributable to the system operator are paid to generators.

2.6.6 Must Run Dispatch Auction

There were bids into the must run dispatch auction every day during the month.

2.7 Pricing Manager

2.7.1 Daily Pricing

For December pricing there was 39 pricing solves. 6 solves were published as Provisional, 31 published as Final, and 2 not published.

The following table summarises the Pricing Situations that occurred in the month:

Infeasibility Situations	Metering Situations	High Spring Washer Price Situations
7	2	0

There were no high spring washer price situations in the month.

2.7.2 Price Commentary

Average prices in December were lower compared to November. The average price at HAY2201 during December 2008 was $29.52/MWh compared to $47.85/MWh in November.

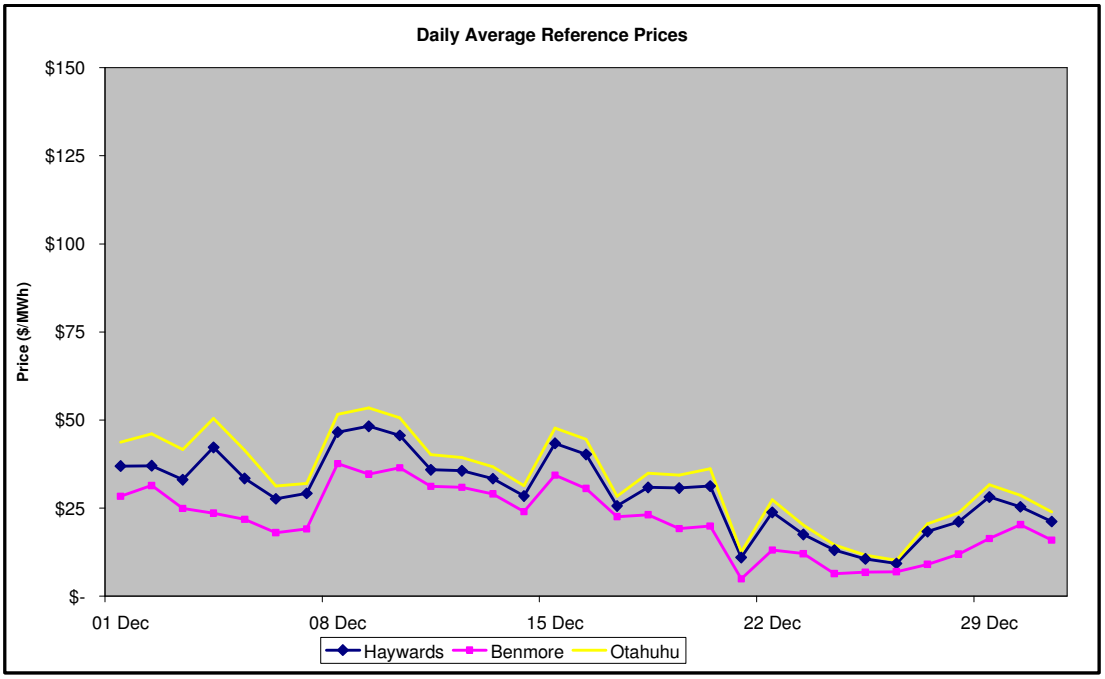
Lake storage levels increased in December, going from 3073GWh at the beginning of the month to 3660GWh on 31 December, which is 125% of average for that time of year.

2.7.3 Monthly Average Reference Price Summary

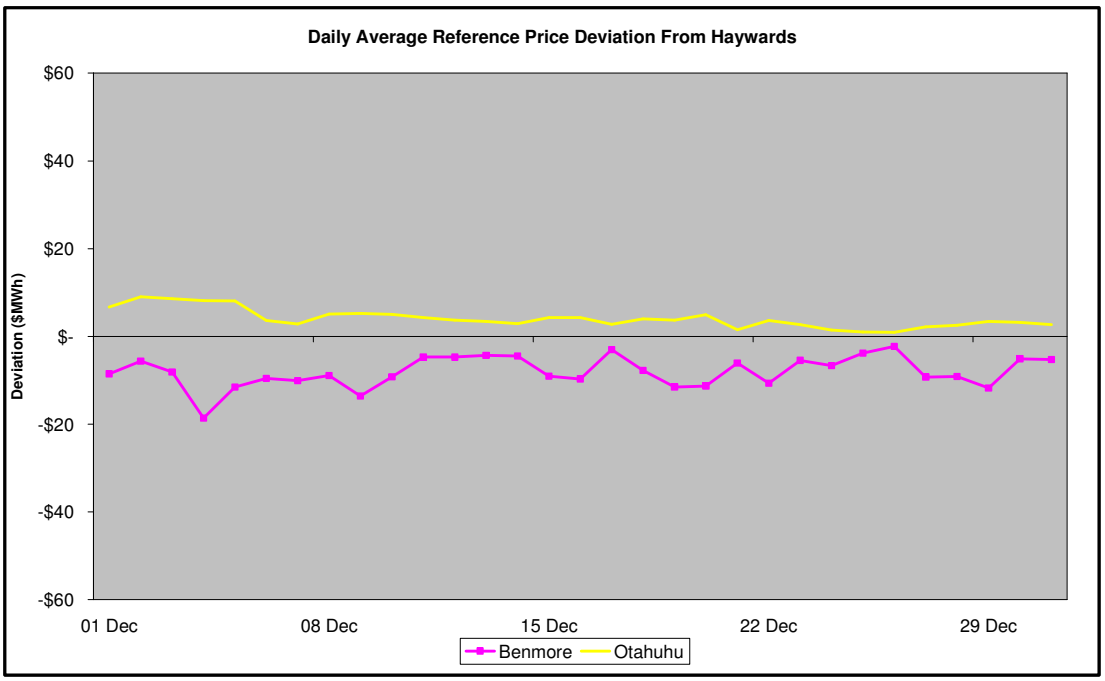
Haywards (HAY2201)		Forecast		Dispatch		Final
Average Price:	$	23.57	$	21.09	$	21.45
Highest Price:	$	82.96	$	62.80	$	63.05
Lowest Price:	$	0.01	$	0.01	$	0.01
Half Hours > $100:		-		-		-
Average Weekday (excl stats):	$	24.90	$	22.75	$	23.06
Average Weekend (incl stats):	$	19.88	$	16.47	$	16.95
Benmore (BEN2201)		**Forecast**		**Dispatch**		**Final**
Average Price:	$	23.57	$	21.08	$	21.45
Highest Price:	$	82.96	$	62.80	$	63.05
Lowest Price:	$	0.01	$	0.01	$	0.01
Half Hours > $100:		-		-		-
Average Weekday (excl stats):	$	24.90	$	22.68	$	23.06
Average Weekend (incl stats):	$	19.88	$	16.60	$	16.95
Otahuhu (OTA2201)				**Dispatch**		**Final**
Average Price:			$	33.29	$	33.57
Highest Price:			$	89.65	$	90.05
Lowest Price:			$	0.01	$	0.01
Half Hours > $100:				-		-
Average Weekday (excl stats):			$	35.35	$	35.61
Average Weekend (incl stats):			$	27.51	$	27.84

Note: Forecast prices for Otahuhu are not published

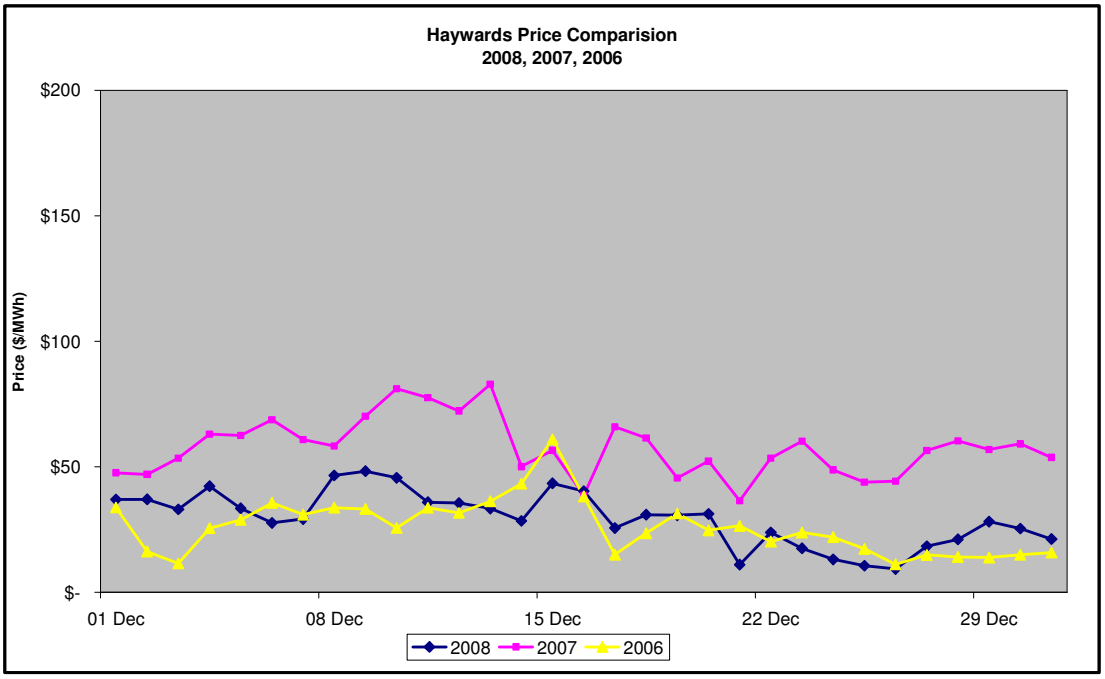
2.7.4 Daily Average Reference Price Graph



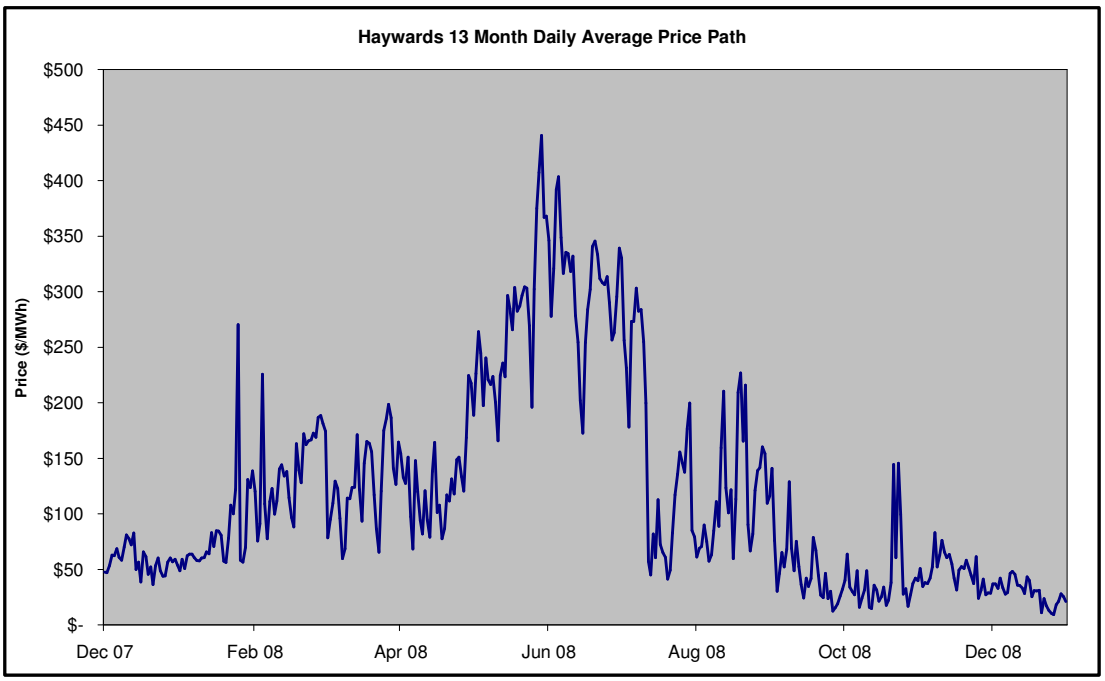
2.7.5 Daily Average Reference Price Deviation from Haywards



2.7.6 Daily Average Haywards Price Comparison



2.7.7 Haywards 13 Month Daily Average Price Comparison

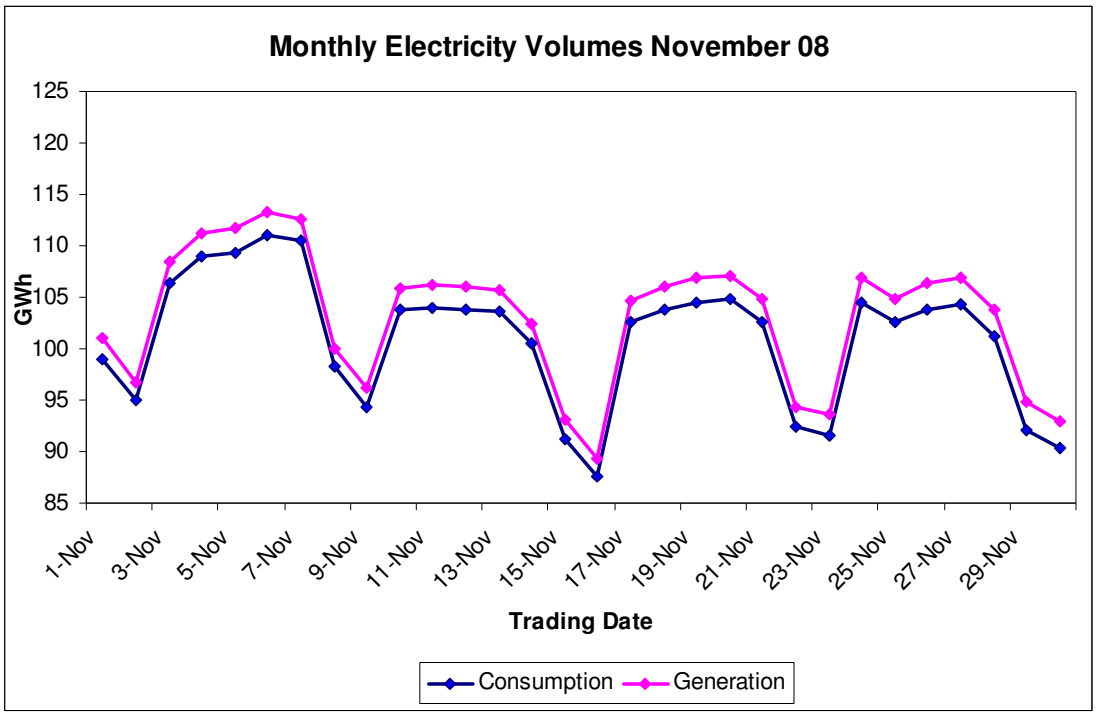


2.8 Reconciliation Manager

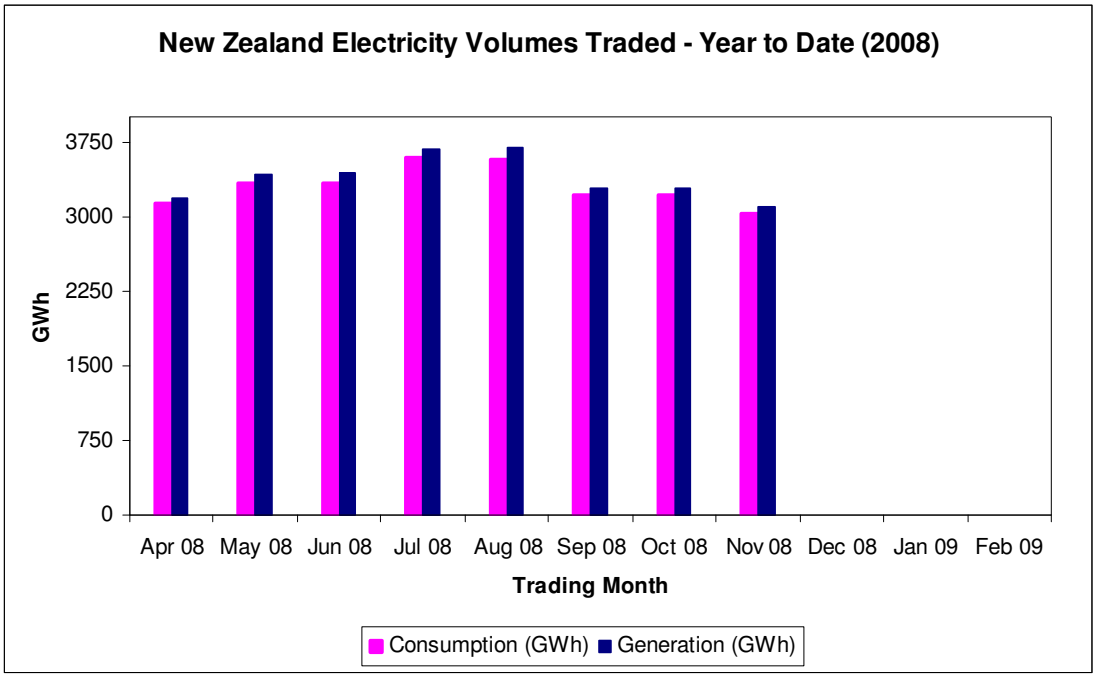
2.8.1 Summary

In December, the reconciliation manager successfully completed a reconciliation run for the November 2008 consumption period, and provided revision information for Nov 08, Sep 08, May 08 and Aug 07 to participants.

The graph below highlights the total daily generation and demand for electricity in which the reconciliation manager reconciled for the consumption period of December 2008[1].



[1] Based on NSP volume data for the consumption period November 2008



The above graph illustrates the year to date total of the volume of electricity generation and consumption traded, for all NSPs across New Zealand.