



meridian

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Submissions  
Electricity Authority  
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### **2011/2012 System Operator Draft Policy Statement**

Meridian has reviewed the draft Policy Statement prepared by the System Operator for the above period. Its comments are set out below.

Q1. Meridian has two comments on the drafting of the Policy Statement. The first relates to the deletion of clause 22 which removes the obligation on the System Operator to provide participants with advance notice of security constraints. Meridian is seeking the reinstatement of this obligation pending the development of an acceptable alternative arrangement following the deployment of SFT. Advance notice of potential security constraints is needed by generators to assist them manage their risks as efficiently as possible.

Second, Meridian seeks the addition of a new obligation on the System Operator in relation to the release of information about its use of its discretion to constrain on generation. Currently the System Operator is issuing CANs outlining the use of this discretion.

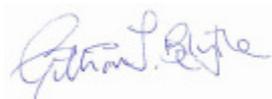
Meridian considers this should be a specific obligation under the Policy Statement. It would also like the information released to include advice on the node at which the generation is being constrained, and the reason for the generation being constrained on. This request is consistent with the Electricity Authority's April Report on the Dispatch of Unscheduled Generation: 23-27 January 2011 which noted the importance of providing better information to the market of unscheduled plant dispatch.

Q2: Meridian agrees that as most of the changes are of an administrative or updating character a quantitative assessment of the costs and benefits of the proposal is not required.

Q3. Subject to the comments above, Meridian believes the changes proposed are preferable to the status quo (the most likely alternative to the proposal).

If you have any questions in relation to this submission please contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Gillian Blythe".

Gillian Blythe  
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