

Security and Reliability Council ::: Special Meeting on 13 December 2011 AUFLS event
Venue ::: Level 7, Transpower House, 96 The Terrace, Wellington
Time and date ::: 9:30 am ::: 28 March 2012

Minutes

Members Present

::: Kevin Thompson (Chair)
 ::: Patrick Strange
 ::: Erik Westergaard
 ::: Dennis Barnes
 ::: Vince Hawksworth
 ::: David Russell
 ::: Terrence Currie
 ::: Albert Brantley

Apologies

::: Bruce Turner

In attendance

Electricity Authority (Authority):

::: Carl Hansen, Chief Executive and principal Authority representative
 ::: Fraser Clark, General Manager Operations Development
 ::: Bruce Smith, General Manager Market Performance
 ::: Greg Williams, Adviser Wholesale

Transpower:

::: Kieran Devine, General Manager System Operations
 ::: Peter Griffiths, National Grid Asset Manager
 ::: Garth Dibley, General Manager Grid Performance
 ::: Kevin Small, Investigations and Planning Manager
 ::: Steve Nutt, Investigations Manager

The meeting opened at 09:30 am.

1 Attendance, apologies, disclosure of interests and welcome

1. The Chair welcomed members to this special meeting of the Security and Reliability Council (SRC), and noted an apology from Bruce Turner.
 2. He noted that interest disclosures had been received from the new members, Erik Westergaard and Vince Hawksworth, and the register of interests would be updated accordingly.
 3. The Chair raised the issue that Patrick Strange and Albert Brantley might be perceived to have conflicts of interests, as representatives of parties involved in the 13 December 2011 event, and suggested that they
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be allowed to take part in discussions but be excluded from the quorum and consideration of any resolutions from the discussion. Following discussion amongst the members the Council agreed that Transpower's and Genesis' involvement in the events should not preclude Patrick Strange and Albert Brantley from being included formally in the SRC's quorum and the forming of its recommendations.

4. The Chair noted the meeting had been arranged pursuant to clause 3.8 of the Authority's charter about advisory groups, 'that from time-to-time the SRC may be required to advise and/or assist the Authority on specific performance and reliability issues'. Specifically, the SRC has been requested to provide its expert advice on the AUFLS event on 13 December 2011 and its implications for system performance and reliability.

2 Grid owner presentation – Peter Griffiths and Garth Dibley

5. The SRC received the report on the event from the grid owner.
 6. Transpower noted that extremely good cooperation occurred with all of the parties involved on the day and in the investigations that followed.
 7. Transpower advised there were similar configurations at some other sites and this was the first time this type of event had occurred in New Zealand. Although this event is extremely rare, Transpower has made changes that reduce the risk of it recurring and is also reviewing how the coordination of grid interface protection might be improved.
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3 System operator presentation – Steve Nutt, Kevin Small, and Kieran Devine

8. Before presenting their report, the system operator presented background slides that explained how the AUFLS system works (these slides were not included in the meeting papers).
9. The SRC received the report on the event from the system operator.
10. The system operator advised that the under-frequency management project has shown that changes are required to AUFLS arrangements to provide better discrimination between AUFLS blocks and prevent over-provision. The system operator also advised that Transpower has decided to accelerate the replacement of the AUFLS relays at their North Island sites so that these are available before the commissioning of HVDC pole 3 and other new transmission and generation assets.
11. Additional slides were presented showing the extent of the AUFLS relay operation in the North Island and the frequency response that would have been seen if all of the generation had been lost instantaneously and the AUFLS relays had operated as expected.

4 Discussion/questions and recommendations

12. The SRC had a thorough and rigorous discussion on what had occurred, why it had happened and what has been done to avoid it (or a similar incident) occurring again.
13. Following those discussions, the Chair asked the group about the recommendations from the secretariat's paper 'North Island AUFLS event – issues for consideration' that included requesting a detailed engineering analysis from Transpower and an independent engineering review. It was agreed that any outstanding technical questions could be addressed through other means and that it was inappropriate for the SRC to be delving into issues at this level of detail.
14. At the conclusion of their discussions the SRC determined that their report to the Authority should advise that it:
 - a) is confident there are no systemic issues arising from the event and the response to the event;
 - b) has encouraged Transpower to hold a second forum with interested parties to discuss the event, issues, response and resulting actions to a greater level of technical detail;
 - c) concluded the existing forums available under the current market and regulatory arrangements, including the Electricity Industry Participation Code (Code) amendment process, allow any issues identified to be appropriately resolved; and
 - d) commends the system operator for their action to address some of the concerns with AUFLS arrangements in the North Island in advance of the commissioning of the new transmission and generation assets.
15. The SRC also acknowledged the efforts of Genesis Energy, Transpower and their contractors, and the relevant lines companies in their prompt and effective response to the 13 December 2011 event.
16. The Chair thanked the members for their input and informed them that general business issues would be held over until the next planned meeting of the SRC in May 2012.

Kevin Small, Steve Nutt, Peter Griffiths and Garth Dibley left the meeting at 11:35 am

5 Authority presentation on market impacts – Bruce Smith and Ramu Naidoo

17. The presentation was provided to the SRC for information only, so that members were aware of the activities undertaken by the Authority in response to the event. The presentation was based on the results of a market performance report the Authority intended to publish in the next *Market Brief*. The presentation focussed mainly on price signalling deficiencies that occurred following the 13 December event.

The meeting closed at 12:23 pm
