

30 March 2012

The Chair
Electricity Authority
PO Box 10041
Wellington 6143

Dear Brent

SRC advice on Transpower report into 13 December 2011 AUFLS event

The Electricity Authority requested Transpower provide a report to the Security and Reliability Council (SRC) regarding the event at the Huntly substation on 13 December 2011 and the resulting under-frequency situation and operation of the automatic under-frequency load shedding (AUFLS) system. The Authority requested the SRC advise the Authority Board on the event and whether there were any systemic implications for system performance and reliability.

The SRC received and considered the report from Transpower at a meeting on 28 March 2012, and had a thorough and rigorous discussion on the information that was received, which included detailed explanations from Transpower of what had occurred, why it had happened and what has been done to avoid it (or a similar incident) occurring again.

The SRC advises that it:

- is confident there are no systemic issues arising from the event and the response to the event;
- 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; and
- 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.

During the meeting the SRC was also presented with information regarding the review of under-frequency management arrangements, including the planned upgrade of the AUFLS relays in the North Island. The system operator advised that it has accelerated some elements of that upgrade programme in light of the scheduled commissioning of a substantial number of new transmission and generation assets, and the SRC commends the system operator for their action in this important area.

The SRC commends Transpower and their contractors, Genesis Energy, and the relevant lines companies for their prompt and effective response to the 13 December 2011 event.

Yours sincerely



Dr. Kevin Thompson
Chair
Security and Reliability Council

cc: SRC members, Carl Hansen (Authority), Kieran Devine (Transpower)