

Security of supply – overview paper

8 November 2012

1 The SRC is commencing their next round of discussions on security of supply matters

1.1 This 8 November meeting initiates the next round of SRC discussions on security of supply. It is expected the SRC will conclude these discussions at their next meeting and provide any necessary advice to the Authority Board. Some specific questions are also raised for discussion at this meeting.

1.2 Some aspects of security of supply were discussed 'out of sequence' at the last meeting on 29 August. At that meeting the SRC discussed papers proposing changes to the winter energy and capacity security of supply standards, and recommending that no further work be undertaken to establish summer security of supply standards at the current time.¹ The SRC supported the recommendations included in those papers, and these matters have now been referred to the Authority Board for a decision at their 6 November meeting. A verbal update on the Board's decision on these matters will be provided at the meeting. The discussion on those standards provides useful context for the material that is being presented for this meeting.

2 Three presentations from the system operator are provided for discussion

2.1 Papers on the following topics have been provided for discussion at this meeting:

- a) *gas supply disruptions and their effect on the power system* – this follows on from the various SRC discussions on the 2011 Maui pipeline outage, and identifies some potential opportunities for improved interaction between the gas and electricity sectors;
- b) *annual security assessment scenarios* – outlining the scenarios the system operator proposes to consider in the development of the 2013 assessment. The assessment compares forecast energy and capacity margins against the security of supply standards over the next 1-5 years; and
- c) *hydro storage reporting and measurement* – discussing the approach the system operator is proposing to take when incorporating hydro storage that is only available in shortage situations into the hydro risk curves.

3 Requested Action

3.1 The SRC is requested to:

- a) respond to the specific questions raised in the individual papers;
- b) identify any matters in relation to these papers that it would like to incorporate into its advice to the Board on security of supply matters; and
- c) identify any further security of supply matters it would like to discuss at its next meeting, before concluding that advice to the Board.

¹ A summary of this discussion is provided in sections 7 and 8 of the minutes of meeting.