

29 October 2012

Electricity Authority  
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*Sent by email only to [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz)*

## **Consultation Paper – 2012/13 Appropriations**

Thank you for providing this opportunity to make submissions on the Electricity Authority's proposed appropriations and work priorities for the 2012/13 financial year. In making this submission the New Zealand Wind Energy Association ('**NZWEA**') has chosen to only comment on those questions/topics that it perceives to be relevant to its interests in the electricity market. We have not, for example, commented on priorities in areas such as the retail market and electricity efficiency.

In October this year NZWEA ran a workshop that focused on the electricity market of the future. Priorities for adjusting the electricity market were:

- Reducing gate closure time
- Enabling wind to bid into the market
- Enabling wind to participate in ancillary services markets.

In the coming months we would like to further explore these priorities with the Electricity Authority.

### ***Q4: Changes in the Authority's operating environment***

Last year the Government released an updated energy strategy. The strategy retains the target of 90% renewable electricity generation by 2025 (in an average hydrological year). Confirming of this policy is an important part of the Authority's operating environment. We would like the Authority to clearly articulate the steps it is taking to help New Zealand achieve this energy strategy target in its work programme.

### ***Q5: Key issues for the Authority to consider***

As outlined above issues that we consider the EA needs to focus on are; Reducing gate closure time, enabling wind to bid into the market, enabling wind to participate in the ancillary services market.

### ***Q6: Updating strategic priorities***

The strategic priorities should be updated to reflect the 90% renewable electricity generation target. The EA should outline the steps it will take to assist with achieving this target.

### ***Q9, 10: Overall suite of projects***

Overall NZWEA supports the top priority market development projects. The most important project for NZWEA is the national market for ancillary services and we are keen to see focus on this maintained.

In terms of the "other" projects for completion in 2013/14 we are keen to ensure there are no slippages or reprioritization of effort away from:

- Improvements to existing spot pricing process.
- Review of Part 6 (pricing principles).
- Under frequency management.
- Offer and dispatch Code development, particularly the focus on gate closure.
- Instantaneous reserve cost allocation.
- Frequency regulation: frequency keeping cost allocation.

Yours sincerely,



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