



TRANSPOWER

Transpower House, 96 The Terrace
PO Box 1021, Wellington
New Zealand
Telephone +64-4-590 7000
Facsimile: +64-4-495 7100
www.transpower.co.nz
Jeremy.cain@transpower.co.nz
04 590 7544

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John Rampton
General Manager
Level 7, ASB Tower
2 Hunter Street
Wellington

By email: submissions@ea.govt.nz

Dear John

TPM operational review: HVDC component

We appreciate the opportunity to respond to the Authority's 23 June consultation on our proposal to vary HVDC charging. This submission is focussed on implementation matters, specifically the drafting for the transition period to the new charge, the South Island Mean Injection (SIMI).

HVDC drafting comment

The HAMI charge is calculated by comparing the anytime maximum injections from the most recent capacity measurement period for the pricing year, against the anytime maximum injections in each of (a number of) pricing years. We have had several years of being audited in applying the existing HAMI definition in this way. The drafting proposed for clause 33D "calculation of HAMI charge" as proposed does not recognise the discrete pricing years so we suggest it needs to state "the average of the 12 highest injections in each pricing year during the period" to ensure consistency with our current application. We propose this insertion to the drafting for this clause in Appendix A.

In our 13 February proposal we included a table to illustrate the transition from HAMI to SIMI in capacity measurement period and pricing year terms. Including this table in the TPM, or referencing it, would avoid ambiguity (we have inserted this table into the TPM drafting in Appendix A). General comments on the HVDC drafting are included in the pdf attachment (we only responded to the "red line" drafting as the drafting for the HVDC).

Please let me know if you have any questions or would like to discuss any of the points made in this submission.

Yours sincerely

Jeremy Cain
Regulatory Affairs & Pricing Manager

Appendix A – Drafting for HAMI and SIMI charges through transition

33D Calculation of historical anytime maximum injection

Historical anytime maximum injection or **HAMI** is calculated for each **HVDC customer** at each **South Island generation connection location** for a **pricing year**, and is—

- (a) for the **pricing year 2016/17**, calculated as if the [*Code Amendment*] had not been made; and
- (b) for the **pricing year 2017/18**, the greater of—
- (i) the average of the **customer's 12 highest injections** at the **connection location** during the **capacity measurement period** for the **pricing year 2016/17**; and
 - (ii) the average of the **customer's 12 highest injections** in each pricing year during the period **1 April 2013 to 31 August 2015**; and
- (c) for the pricing year **2018/19**, the greater of—
- (i) the average of the **customer's 12 highest injections** at the **connection location** during the **capacity measurement period** for the **pricing year 2016/17**; and
 - (ii) the average of the **customer's 12 highest injections** in each pricing year during the period 1 April 2014 to 31 August 2015,
- (d) for the pricing year 2019/20, the greater of—
- (i) the average of the **customer's 12 highest injections** at the **connection location** during the **capacity measurement period** for the **pricing year 2016/17**; and
 - (ii) the average of the **customer's 12 highest injections** during the period 1 April 2015 to 31 August 2015.

Table 1 Detail of transition period

Pricing Year		April 2017 – March 2018	April 2018 – March 2019	April 2019 – March 2020	April 2020 – March 2021
Weighting		75% HAMI	50% HAMI	25% HAMI	100% SIMI
			50% SIMI	75% SIMI	
		25% SIMI			
<i>Pricing Years</i> and	HAMI (kW)	<i>Apr 13 – Mar 14</i> <i>Apr 14 – Mar 15</i> <i>Sep 14 – Aug 15</i> <i>Apr 15 – Aug 15</i>	<i>Apr 14 – Mar 15</i> <i>Sep 14 – Aug 15</i> <i>Apr 15 – Aug 15</i>	<i>Sep 14 – Aug 15</i> <i>Apr 15 – Aug 15</i>	
Capacity Measurement Period (s)	SIMI (MWh)		<i>Sep 15 – Aug 16</i> <i>Sep 16 – Aug 17</i>	<i>Sep 15 – Aug 16</i> <i>Sep 16 – Aug 17</i> <i>Sep 17 – Aug 18</i>	<i>Sep 15–Aug 16</i> <i>Sep 16 – Aug 17</i> <i>Sep 17 – Aug 18</i> <i>Sep 18 – Aug 19</i>