

19 August 2015

Electricity Authority  
PO Box 10041  
Wellington 6143  
*Sent by email only to submissions@ea.govt.nz*

## Reduced Gate Closure

The wind industry in New Zealand has discussed gate closure for a number of years at our annual conference and at workshops. The general view in the wind industry is that gate closure should be reduced and that doing so will result in increased efficiency in the electricity market.

A one hour gate closure is a good step. Some in the industry believe that gate closure should and could be shorter; should be shorter because that would result in a more efficient electricity market and could be shorter because the technology now allows shorter gate closure.

The rules about persistence and forecasting appear to be a good first attempt at getting these rules right. In addition to calling for submissions I suggest the Electricity Authority considers whether it would be helpful to establish a small working group to work through the technical and associated drafting issues. NZWEA would be happy to help the Electricity Authority establish this working group.

In terms of the questions:

- Q2: NZWEA generally agrees with the problem definition. To ensure maximum efficiency the market should operate as near to real time as possible.
- Q4: International experience shows that forecasting is important for integrating wind into the electricity system. An approach that reduces unnecessary compliance costs is to be welcomed. Whether “persistence” or an actual forecast is the best option needs to be looked at more closely and worked through. It would be unfortunate if the re-drafted rules meant that only persistence forecasts could be used rather than other, potentially more accurate forecasts.

- Q11: NZWEA considers that a reduced gate closure period will improve efficiency in the market and therefore supports moves by the Electricity Authority to reduce gate closure.

Paragraph 3.5.2 in the consultation document states that: “The Authority has a pending project on its work programme to review the offer and dispatch provisions for wind generators”. This project would be of significant interest to NZWEA and potentially the global wind community, given New Zealand’s leadship position in electricity market development.

Yours sincerely,



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## About NZWEA

1. The Association promotes the responsible, sustainable and significant uptake of New Zealand's abundant wind resource as a reliable, renewable, clean and commercially viable energy source. The Association considers that wind energy has a substantial role to play in New Zealand's power generation portfolio, and strives to ensure that New Zealand's world-class wind resource is harnessed in a responsible and sustainable manner.
2. The Association is a non-Governmental, non-profit organisation. Our activities are funded by our members and by industry events such as our annual conference.
3. The Association's Mission and Objectives are:

### **Mission**

*The mission of the Association is to promote the uptake of New Zealand's abundant wind resource as a reliable, sustainable, clean and commercially viable energy source.*

### **Objectives**

*The objectives of the Association are to achieve its mission ... by means of:*

- (a) *policy advocacy with local and central government officials and elected representatives, regulatory bodies, industry groups and other interested organisations to raise the awareness of, and develop the concept of wind energy in New Zealand;*
  - (b) *organising seminars, conferences and other promotional and educational events, and to distribute information, relating to wind energy in New Zealand;*
  - (c) *providing a forum for external and internal networking, discussion and co-operation amongst persons with an interest in wind energy in New Zealand;*
  - (d) *promoting the economic, environmental, social and other benefits of wind energy in New Zealand; and*
  - (e) *promoting research and development of wind energy technology in New Zealand.*
4. The Association was formed in 1997. Membership includes around 40 companies and organisations that represent a wide range of interests.
  5. The views of the Association may not necessarily reflect the views of each individual member.