

Electricity Authority
PO Box 10041
Wellington 6143
Via email: submissions@ea.govt.nz

6 November 2017

Consultation Paper – Wind Offer Arrangements

Mercury welcomes the opportunity to comment on the Electricity Authority (EA) consultation paper on wind offer arrangements. No part of our submission is confidential. We welcome this initiative. We believe if implemented it will improve the offer arrangements for wind generators. Mercury supports the objective of striving to ensure that wholesale market offers are as accurate as possible as this enhances transparency and efficient operation of the wholesale market.

We note that the proposed unsignalled generation withdrawal limit is 30MW. We would like more information on why this limit has been chosen given the scale of the different windfarms currently operating in New Zealand, and future windfarms. We are not convinced that a “one size fits all” measure is the best approach versus a percentage of a windfarm’s total output.

If you have any questions regarding this submission please contact Nick Wilson nick.wilson@mercury.co.nz 09 580 3623.

Yours sincerely



Nick Wilson
Manager Government and Regulatory Affairs

Consultation Questions

Question	Comment
1. Do you agree the issues identified by the Authority warrant changes to the offer arrangements for wind generation?	Yes.
2. Do you agree with the objectives of the proposed amendment?	Yes.
3. Do you agree that an unsignalled generation withdrawal limit of 30MW allows sufficient wind farm operational flexibility and does not cause unintended consequences for wind farm owners?	We support operational flexibility but would like to understand why the Authority has selected a generation withdrawal limit of 30MW given windfarms in New Zealand differ significantly in terms of scale. We wonder whether another measure such as the percentage of total windfarm output might be a more appropriate measure.
4. Do you agree the benefits of the proposed amendment outweigh its costs?	Yes.
5. Do you agree the proposed amendment is preferable to the other option? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	Yes.
6. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Yes.
7. Do you have any comments on the drafting of the proposed amendment?	No.

