

Network Tasman Submission on the Electricity Authority's Consultation Paper – Draft lists of distributed generation eligible to receive ACOT under regulated terms (Upper South Island)

9th October, 2018

Network Tasman appreciates the opportunity to provide comment on the list of distributed generation in the upper South Island that is eligible to qualify to receive ACOT payments under the regulated terms. The Authority's Consultation Paper identifies 486 DG in the Stoke 33kV GXP area (Nelson Electricity / Network Tasman) and 143 DG in the Stoke 66kV (Network Tasman) GXP area as being eligible for ACOT payments under the regulated terms.

This submission is confined to technical issues regarding the assessment of the Stoke 33kV and Stoke 66kV GXPs, rather than commenting on the code amendment or the methodology used to determine which DG should be eligible for ACOT payments.

Network Tasman takes the view that DG in the Stoke 33kV GXP region do not satisfy the criterion of eligibility for ACOT payments under the regulated terms (Clause 2A of Schedule 6.4 of Part 6 of the Electricity Industry Participation Code).

Stoke 33kV

The Mitton ElectroNet Upper South Island Generation Impact Study finds the N-1 security limit of the Stoke GXP to be breached in Winter from 2017. The study states (Table 1) that the N-1 security limit is 137.2MW with DG off and 137.3MW with DG on, with the implication that N-1 security is breached regardless of whether DG is on or off. Accordingly, the study does not show that the DG allows Transpower to meet grid reliability standards. As a result Network Tasman is of the view that the DG in the Stoke 33 GXP area does not satisfy the criterion in Clause 2 of schedule 6.4 of Part 6 of the Code. Moreover, the DG at issue is neither firm nor material enough in size to defer investment.

In addition, it is not clear that the study takes into account that prior agreements between Transpower and Network Tasman require the firm capacity of the Stoke 33 GXP to be 143MVA. While the existing limit is 138MV, it has been established that this is a result of a protection issue in which the appropriate transformer impedance protection specified in correspondence between NTL and Transpower was not implemented. Transpower is currently resolving this protection issue, so that 143 MVA firm capacity is provided. As Transpower was effectively already obliged to provide 143MVA, the presence of 0.1MW of DG has not resulted in the ability of Transpower to avoid or defer investment at the Stoke 33 GXP.

Network Tasman concludes that DG at the Stoke 33 GXP does not meet the requirement for being eligible for ACOT payments under the regulated terms.

Stoke 66kV

The Consultation Paper finds that 143 DG in the Stoke 66kV GXP region are eligible for ACOT payments under the regulated terms. Network Tasman notes that new transformers are currently being installed at the Stoke 66kV GXP. However, they are not expected to be commissioned until near the end of period examined by the Authority. The new transformers will provide N-1 security without DG from 2020 onwards.