

Electricity Authority Te Mana Hiko
Level 7, AON Centre, 1 Willis Street
Wellington 6011

23 December 2025

To Electricity Authority Te Mana Hiko,

RE: Tesla's Response to the wholesale market arrangements for battery energy storage systems

Tesla welcomes the opportunity to provide feedback to the Electricity Authority Te Mana Hiko (the Authority)'s issues and options paper on wholesale market arrangements for battery energy storage systems (BESS).

The issues paper outlines a range of sensible, practical recommendations to ensure that the market arrangements for BESS are fit-for-purpose as the grid evolves. Tesla is supportive of the proposals to add in dispatch requirements for BESS while charging, the same as generation; for combining bids and offers into a singular bi-directional form; and removing payments for BESS charging if constrained off. Tesla welcomes the opportunity to engage with the Authority on operational considerations for these initiatives in order to share global learnings for their implementations, such as from AEMO's Bidirectional unit (BDU) transition and cutover in 2024¹.

Tesla suggests further exploration on the topic of gate closure arrangements for BESS. While maintaining power system security is a primary responsibility for the System Operator, Tesla encourages further examination to reconsider if it possible to shorten gate closures for BESS in NZ, considering a similar approach to semi-scheduled generation with 30 minutes to amend. This will enable more efficient operations for BESS and be able to be more responsive to any sudden changes in grid conditions. Tesla sees the justification for adding state of charge constraints to provide greater reassurance for dispatch for both the BESS and the System Operators but does not see this as fully resolving the challenge. Tesla would welcome a workshop to discuss how the Authority could balance shortening gate closure times (the optimal outcome for BESS) with maintaining appropriate power system security.

Tesla looks forward to ongoing engagement within the Authority's BESS Roadmap and broader market reform to support NZ's operation of a safe and secure power system, and to achieve its renewable energy and emissions reductions targets.

Kind regards,

Tesla Energy Policy Team
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¹ <https://www.aemo.com.au/initiatives/major-programs/nem-reform-program/nem-reform-program-initiatives/integrating-energy-storage-systems-project/integrating-energy-storage-systems-participant-toolbox/bidirectional-unit-transition-and-cutover>