

30 June 2026

Electricity Authority
PO Box 10041
Wellington 6143

Via email: OperationsConsult@ea.govt.nz

To whom it may concern,

Re: Consultation Paper— [Could Kiwi Consumers Benefit from 5-Minute Settlement?](#)

NewPower Energy Services Ltd (NewPower) appreciates the opportunity to make this submission on the Electricity Authority's discussion paper on whether consumers could benefit from 5-minute settlement in the electricity market.

NewPower, the holding company for Infratec NZ Limited (Infratec) and NewPower Energy Limited (NEL), are subsidiaries of WEL Networks Limited, New Zealand's sixth largest Distributor. Infratec, an Engineering, Procurement and Construction (EPC) company, is delivering low-carbon utility-scale solar and battery solutions at a time of unprecedented growth in New Zealand. Infratec developed and commissioned Rotohiko, NZ's first utility scale 35 MWh battery energy storage system (BESS) facility at Huntly, connected to WEL Networks' distribution assets.

By way of context for this submission, NEL is the owner, operator and trader of generation assets including the Rotohiko BESS, which operates within both Network and Grid compliance modes, and so can offer a range of network, transmission, and energy market services within NZEM's wholesale market dispatch compliance rules. This BESS is already contracted to the System Operator as an ancillary service agent for instantaneous reserves.

Infratec has also constructed and commissioned approximately 202MW of utility-scale solar farms connected to distribution networks across New Zealand for both NEL and customers, with an additional 30MW currently under construction.

Key points in our submission

In summary:

1. NewPower welcomes the Authority looking at whether 5-minute market settlement could benefit New Zealand's consumers.
2. NewPower is one of the stakeholders that has been suggesting to the Authority that moving to 5-minute market settlement would be beneficial for BESS and by extension, end consumers in the long run.

Current Methodology Disadvantaging BESS

3. The current methodology discourages fast responding technology like BESS balancing intra trading period volatility.

4. NewPower notes the Authority has stated in this discussion paper that intra trading period variability has been declining. But NewPower notes that in the Authority's analysis piece "Eye on electricity: Five-minute price volatility and intermittent generation" the current average variability can still be around \$50/MWh. NewPower would argue this is still significant variability and there is still the possibility intra trading period volatility could rise again.
5. NewPower is aware of trading periods where our Rotohiko BESS discharged and charged in the same trading period. This was due to the 5-minute pricing being significantly variable. When trading periods like these are settled BESS will receive both the same time weighted price for charging and discharging. So, if the BESS charged 5 MWh and discharged 5 MWh in the same period due to significantly variable 5-minute prices the BESS would receive no revenue due to averaging over the 30-minute trading period.
 - a. This will lead to BESS pricing offers and bids to avoid discharging and charging in the same trading period, as intra trading period volatility balancing is not rewarded in the current market.
6. With more intermittent generation and load connecting to the grid and networks it is likely that intra trading period variability will increase over time. With no incentive for BESS and other technologies to balancing this variability it could lead to unintended consequences.

NewPower's Final Comments and Recommendation

7. NewPower would like to highlight there are possible solutions to enable BESS to have access to 5-minute settlement without the whole market changing to 5-minute settlement.
 - a. This will reduce cost while maintaining benefits.
8. NewPower recommends that the Authority:
 - a. Continues to monitor intra trading period volatility and continues to investigate the benefits and costs.
 - b. Trial a 5-minute settlement process for BESS that could overtime be extended to the entire electricity market.

Yours Sincerely,



Ricky Smith
GM Generation