

8 November

Submissions
Electricity Authority

Nova Energy Limited
PO Box 3141, Wellington 6140

By email: OperationsConsult@ea.govt.nz

First steps in improving outage coordination

Nova appreciates the opportunity to provide feedback on this proposed amendment, and fundamentally supports the Electricity Authority's (the Authority) goal of improving system reliability through improvement of outage disclosures.

Nova would, however, appreciate clarification on whether all unplanned outages, including short-duration ones, would need to be disclosed, or if a threshold will apply.

On the proposal to allow the System Operator (the SO) to request asset owners to return assets to service following unplanned outages, Nova believes that asset owners must retain discretion in these decisions, especially when considering asset life and safety concerns. The final decision should remain with the asset owner, as they are best positioned to assess the risks and ensure safe operation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tamiris Robinson', with a stylized flourish extending from the end.

Tamiris Robinson
Regulatory Advisor

Nova submission: First steps in improving outage coordination

Question	Response
Q1. Do you agree with the issues identified by the Authority?	Yes.
Q2. What other outage coordination issues should the Authority consider for our future programme of work? Please expand.	<p>Nova has concerns regarding the planning and scheduling of 110kV line outages. It would be useful for the authority to include provisions in the outage protocols that require the SO to consult with relevant Generators to optimise the timing of transmission outages with the objective of minimising the frequency with which transmission circuits are taken out of service. This will help prevent the total loss of generation capacity from generating plant such as Nova's peaking stations.</p> <p>Additionally, the Authority should consider the SO's current approach to maintenance scheduling by not conducting planned maintenance over weekends. This approach results in disruptions during weekday periods of high demand, ultimately adding to supply challenges during peak hours. It is Nova's experience that the additional costs associated with performing outage work during non-standard working hours is more than offset by the benefits of energy system savings due to reduced prices by having plant available and generating over peak demand periods.</p>
Q3. Do you agree with the proposed changes to outage coordination obligations on the system operator and asset owners? If not, what don't you agree with and why?	<p>Nova requests that the Authority clarify whether it would expect all outages (including unplanned short duration outages) of all assets of an asset owner to be disclosed, or if a specific threshold will apply.</p> <p>Nova is cautious about the proposal in this consultation to <i>"allow the system operator to request asset owners to return assets to service following unplanned outages"</i>. While it is important for the SO to emphasize the significance of an asset to maintaining system security, asset owners must retain the discretion to act prudently. This may, on occasion, involve a different view to that of the EA and the SO about the timing of an asset's return to service.</p> <p>The right of asset owners to protect their assets by temporarily removing them from the market, when warranted, must remain with the asset owner. Asset owners are committed to ensuring generation availability, and it is always in their best interest, and for the benefit of consumers, to return their assets to service as soon as it is safely practicable.</p>

Question	Response
	<p>The proposal to disclose unplanned outages of <u>short duration</u> in POCP is impractical due to the rapid pace at which things move when these events occur. When an asset that was generating is forced off the market due to a bona fide physical reason, this reason and the adjusted offer are submitted in WITS. This information is accessible to the SO and the Authority despite not being entered into POCP.</p>
<p>Q4. Do you agree with the analysis presented in this regulatory statement? If not, why not?</p>	<p>While Nova acknowledges that implementing this amendment is unlikely to incur material costs, there is a significant risk of substantial costs if asset owners are required to operate a unit with high-risk components and it fails, leading to the loss of a turbine due to collateral damage. The Authority must ensure that the Code provides a reasonable level of discretion for operators to decline a request to return to service (RTS) based on asset risk and/or Health, Safety, and Environmental (HSE) considerations.</p>
<p>Q5. Do you agree the proposed amendment is preferable to the other options? 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.</p>	<p>Yes, provided that the ultimate decision to return an asset from an unplanned outage remains with the asset owner. It is inconsistent with the Authority's objectives to allow the SO to essentially determine when an asset should return to service.</p>
<p>Q6. Do you have any comments on the drafting of the proposed amendment?</p>	<p>No further comments.</p>