

TRANSPOWER

System Operator Annual Self Review

2025-26

Version: V1

Date: August 2026



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Foreword



Foreword

Our performance across the year demonstrated the strength of New Zealand's System Operator service as well as how rapidly we are evolving to keep up with the pace of change across the power system. Critically, we continued to operate the system securely and reliably through under-frequency events, severe weather, grid emergencies, HVDC faults, and constraints even as we managed increasingly complex interactions between technologies and market systems.

This role is getting more complex as the generation supply mix changes with increasingly inverter based, variable renewable generation connecting. Across the year, we managed first synchronisation of a record 650 MW of new generation and storage. To enable this step-change, we continued to improve commissioning processes and worked with the Electricity Authority and industry to establish the Connected Asset Commissioning, Testing and Information Standard. These changes provide clearer expectations for connecting parties while strengthening the technical foundations needed for system security.

System security remained a central priority. Increasing output from intermittent generation brought greater volatility, tighter margins and new dispatch and frequency-management challenges. With this only set to increase, operational practice, market design and supporting technologies will need to continue to evolve together. Our System Stability Information Paper published during the year prioritised a key system health roadmap that will help us stay ahead of continuing market changes.

We continued to enhance delivery of our key security of supply reporting role. This included implementation of the new Security of Supply Forecasting and Information Policy, improving the information available to support dry-year risk decisions. We also strengthened the 2026 Security of Supply Assessment process and continued to engage closely with sector partners to support a clearer shared understanding of changing energy and capacity risks.

We made progress in preparing the System Operator for the future through development of a new System Operator Strategy and our Control Room of the Future work. International engagement provided further lessons, and our paper reflecting on the Chilean and Iberian outages showed just what is at stake if we don't evolve at the pace required.

Delivery remained strong. We completed all defined Business Plan and key service-agreement deliverables within the reporting period, delivered 102% on our allocated capital funding and achieved an 88% result across the 17 performance metrics. We managed actual, potential and perceived conflicts arising from Transpower's Grid Owner and System Operator roles, and 96% of respondents to our participant survey agreed we were sufficiently impartial.

Our performance this year gives us confidence in the service we provide, but the rapid pace of change means we are having to learn and adapt quickly. We set out these lessons learned and opportunities in the report. As the system continues to evolve, the challenges to come are clear. Future performance cannot rely indefinitely on experienced people, operational knowledge and manual workarounds. We need better-integrated data, tools and processes, clearer prioritisation, and stronger alignment between strategy, market design, technical advice and investment. Our focus now is to build on the progress made this year to continue to refine our operating model to ensure it remains capable of supporting a more renewable, dynamic and complex power system.



Chantelle Bramley
Executive General Manager, Operations
Transpower New Zealand Limited



Self Review



Operating the power system

- The 2025-26 year demonstrated the increasing complexity of real-time power system operation. Our National Co-ordination Centres managed multiple UFEs, weather-related disruptions, HVDC outages and constraints, low reserve and low residual situations, and emerging challenges from new technologies and changing generation patterns, while continuing to operate the system securely and reliably.
- The year highlighted the growing need to actively manage uncertainty. System security outcomes were increasingly influenced by variable renewable generation, HVDC availability, protection system behaviour, weather impacts and market responses, often requiring skilled coordinators to apply judgement, contingency management and participant engagement where automated tools and market systems were insufficient.

Integrating Battery Energy Storage Systems

We started the year with a single BESS active in the energy and reserves markets. By year end, two more had joined, with a third preparing to commission in July. On 23 June 2026, an interim BESS solution was integrated into the market system to manage the problem of BESS being treated as separate generation and load resources, an issue highlighted during the annual planned HVDC outage. Interactions between energy and reserve offers resulted in frequent infeasible instructions for BESS to charge and discharge simultaneously. The interim solution helped identify and manage these dispatch outcomes more effectively, reducing the need for manual intervention by coordinators and BESS traders while longer-term Code and Market System changes are developed. It was a pragmatic operational response that improved near-term manageability of BESS participation without pre-empting the enduring market design needed to fully reflect BESS capabilities.

Coordinating more wind and solar

Intermittent generation (IG) is changing power system operation. There is more volatility, tighter margins, low IG contributing to low residuals, very low prices dispatch challenges, and more frequency excursions. We supported the Authority to improve IG forecasting and Forecast of Generation Potential offers, referring potential non-compliances for investigation. We progressed near-term solutions, and looked further ahead at what the future might need. We worked with participants through notices, direct engagement and investigations, and contributed our experience to broader market design work across evolving resource coordination, tie-breaker provisions (including a pragmatic interim tiebreaker Code change proposal that to our disappointment the Authority declined), common quality changes, CACTIS, and future frequency-management work.

At a glance

3	significant events
5	UFE's
1	low residual event
4.6m	dispatches
11%	increase (n dispatches?)
622	notices issued
306	discretion applications
1	Low Residual CAN
1	Potential Low Residual CAN
0.98%	average deviation in accuracy of demand forecast

Other notable achievements:

- We actively managed periods of insufficient transmission capacity, reserve shortfalls, electrical islanding risks and regional security constraints, and two periods of low residual generation. In almost all cases, early engagement with participants and direct coordination meant there were no impacts on consumers.
- We managed increasing HVDC operational complexity through planned maintenance outages, unplanned pole outages, reduced-capability operation, reserve-sharing constraints and abnormal HVDC behaviour while maintaining secure operation of the wider power system.
- Our Market Operations Weekly Reports continued to be widely read and receive positive feedback from industry and media. In particular people tell us the Insight explaining or unpicking a particular topic each week is a valuable way to support learning, and transparency.



Learnings:

1. Events were characterised by interactions between multiple systems, technologies, operational constraints and market outcomes, including increasingly complex interactions between protection systems, HVDC controls, generation assets and operational decisions.
2. Emerging technologies continued to test tools, requiring manual intervention, procedural workarounds and close participant engagement to manage risks. All power systems are dealing with these changes, and this experience provides practical input for the Authority's market design initiatives, and reinforces the need for ongoing investment in System Operator capability.
3. Significant weather events reinforced the importance of early situational awareness, contingency planning and effective coordination arrangements.

Further Opportunities:

- While UFE investigations did not identify systemic weaknesses in control room operations, they reinforced the importance of continuous improvement as the operating environment becomes more complex.
- Increasing operational complexity confirmed the importance of our Control Room of the Future programme, to reducing cognitive workload, improving decision consistency, strengthening capability development and equipping coordinators to operate a more dynamic and complex power system.
- The year showed the importance of the Authority's work to evolve the market design, so dispatch and operational tools better reflect the characteristics of intermittent generation and grid-scale battery storage. We will continue working with the Authority to prioritise our collective resources to meet this need.

"SO does a very good job in a very complex and often chaotic environment. Requests for information are serviced quickly."



Security of Supply

- Dry periods in both 2024 and 2025, and in particular the extended period of very high prices in winter 2024, highlighted the complex interactions of rapidly changing system conditions on security of supply. These include declining local gas supply, growing questions about the future of the Maui gas field and Methanex, extended low inflows correlated with low wind generation, a growing contribution from intermittent generation across wind and solar, signalled Taranaki Combined Cycle (TCC) decommissioning, integration of BESS and different cross-gentailer commercial arrangements for retaining, fuelling and offering the third Rankine unit at Huntly.
- We continued to evolve our monthly Energy Security Outlooks and quarterly Security of Supply outlooks to provide regular energy and capacity risk outlooks and insights. This supported the market to better understand changing dynamics, such as the risk that a Huntly Rankine could have exited the market from 2026, the consequence of TCC’s exit in early 2026, the impact of new generation coming online, and progress relative to the supply pipeline underpinning the latest published Security of Supply Assessment (SOSA).
- MBIE published their consultation on strengthening incentives for dry year risk management. The System Operator provided input to the MBIE team while their policies were being developed and is supportive of stronger incentives and using the current market information tools and mechanisms to help inform these.
- The Security and Reliability Council (SRC) established a System Operator observer role and provided opportunities for regular engagement. Our conversations across many topics, including regular security of supply updates, provided us with valuable insights to inform our ongoing work on forward-looking real-time security, energy and capacity risks to the power system and market.

SOSFIP Review

Completion of the Security of Supply Forecasting and Information Policy (SOSFIP) review, and implementation of the amendments, was a significant focus. Informed by extensive industry consultation and feedback, the new SOSFIP introduced contracted-fuel risk curve reporting, updated the Watch and Alert curve methodology, revised contingent storage buffer settings, and provided clearer market information to support better dry-year risk decisions. These updates supported security of supply information to be more relevant for participant and stakeholder as the power system continues to evolve. The SOSFIP changes took effect from May and were communicated through our fortnightly System Operator industry forums.

SOSA 2026

For SOSA 2026, the System Operator improved the process by surveying generators earlier, verifying information against other sources including the Grid Owner connection pipeline, using extended

information-gathering powers to improve response completeness, and bringing forward draft report consultation so stakeholder feedback could better inform the final assessment. We also focussed on improving the accessibility of information and insights presented in the SOSA 2026 report, including by incorporating an *At a Glance* dashboard. Constructive engagement with industry, the Authority and MBIE through the process helped ensure the final report was well received by industry and officials following its release in June.



At a glance

4

quarterly SOS
outlooks

12

energy security
outlooks

Other notable achievements:

- As is the case every winter the System Operator applied significant effort to monitor and manage the security of supply through Winter 2025, and ahead of Winter 2026. Our Security of Supply Review - Winter 2025, highlighted that better information, earlier coordination and clear incentives are needed so participants can manage fuel, generation and demand-side flexibility ahead of scarcity, rather than relying on late operational intervention.
- New Zealand's islanded, hydro-dominated electricity system faces both dry-year energy and peak-demand capacity risks. We published a thought piece (Supporting resource adequacy in a highly renewable, islanded power system) to better articulate these security of supply risks and identify possible next steps for mechanisms to address them, supporting wider discussion on Aotearoa's energy security. We also provided expert support to MBIE as it progressed Government including the dry year review.
- We strengthened the Security of Supply data and reporting platform through enhancements to the underlying data architecture and modernisation of key dashboards. While largely unseen, this work has improved auditability, transparency and maintainability, creating a stronger foundation for future analytical capability and reducing key-person risk.

"The market operations weekly reports that Transpower produces are really good and insightful and I do like the weekly insight into different areas on the NZ energy system."



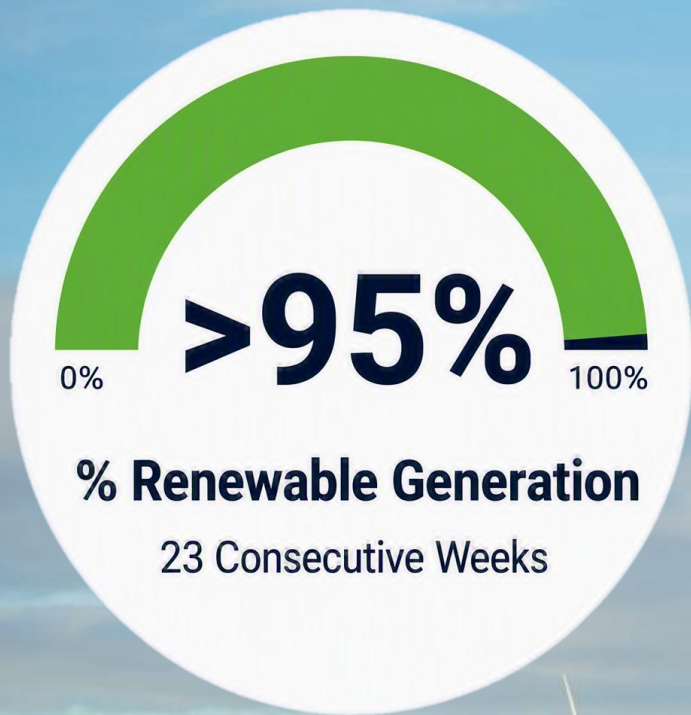
Learnings:

4. Security of supply analysis must evolve with changing system conditions and policy. New technology investment, ageing plant, declining local gas supplies, new demand with increasing electrification and data centres, increasing reliance on reliability of electricity supply, and changing weather patterns all impact security of supply. And also present opportunities to participants to help manage the risks.
5. Improving the automation of the Security of Supply information chain streamlines the incorporation of new information and analysis, enabling faster turnaround and reporting while increasing confidence in the resulting insights.
6. Monitoring generator commissioning progress between SOSA cycles improved visibility of emerging trends, and highlighted the value of continuous tracking to better understand how risks evolve over time.

Further Opportunities:

- The new Electricity Security Opportunities Statement (ESOS) signalled by the recent Government Policy Statement will provide greater transparency on the opportunities and response pathways available to address emerging security of supply risks, supporting a more informed discussion of future actions and trade-offs across the sector.
- Aligned ESO and NZGB monthly updates would help improve consistency across energy and capacity risk insights and make it easier for stakeholders to understand the outlook.
- The Authority's pending security standards and SSAD updates are important to help ensure our security of supply information is fit for the current and evolving electricity system so that security risks are assessed on a consistent and credible basis.





Preparing for the future

- 2025-26 was a transition year for the System Operator, moving from annual planning and individual initiatives toward a more integrated view of the capabilities needed for a more complex, renewable and data-driven power system.
- Progress focused on the refreshed System Operator Strategy, Control Room of the Future roadmap, capability planning and targeted international engagement. Together, these clarified future system needs and the importance of better data, tools, workflows, automation and operator support.

New strategy development

The new System Operator Strategy moved our planning beyond annual work programmes toward a longer-term, industry-informed view of the capabilities needed to operate a more complex power system. Phase 1 engagement identified the trends, risks and drivers shaping future operations, and Phase 2 translated these into draft strategic priorities, outcomes and initiatives for consultation in June 2026. The process improved strategic maturity by creating a clearer line of sight between operational experience, stakeholder feedback, future system needs and future investment choices. It also provided a more transparent basis for engagement with the Authority and industry on how the System Operator service will need to evolve.

Control room of the future

The Control Room of the Future work developed a clearer long-term vision, capability assessment and roadmap for real-time operations. It focused on trusted operational data, workflow integration, operational intelligence, decision support, knowledge management, automation, simulator-based training and operator experience. The initiative is strongly aligned to the year’s operational experience. UFEs, HVDC constraints, low residual situations, severe weather, battery dispatch issues and intermittent generation forecasting challenges all showed that coordinators are managing more information, uncertainty and manual workarounds than current tools can sustainably support.

Capability development

We refreshed our capability maturity assessment framework to better assess capability across people, process, technology and information. This improved our ability to identify gaps and target investment toward the highest-value and most strategically important opportunities. Progress against planned capability uplift remained on track, although much of the investment envelope continued to focus on sustaining existing capability and preventing decline as the operating environment becomes more complex.

International Engagement

Engagement with Chile’s system operator and review of the Iberian blackout provided lessons for New Zealand on telecommunications risks, under-frequency load shedding, voltage management, inverter-based resource performance, DER visibility and restoration preparedness. We engaged with TransGrid and AEMO on operator training, assurance and governance practices, and identified opportunities to strengthen AI risk management, compliance and governance. Participation in ESIG/NREL, G-PST, GO15 and APEx forums kept our thinking aligned with emerging international research and practice on large-load integration, system stability, market modelling and renewable integration.

At a glance

100+ attendees at our strategy consultation webinar

2 strategy development consultations

4 thought leadership papers published

Other notable achievements:

- Our ancillary services optimisation initiative improved processes, customer experience and digital workflow automation. This reduced outstanding provider data and overdue testing, improved tracking of provider UFE responses information, and automated interruptible load performance analysis, creating a more efficient and sustainable basis for managing ancillary services performance and provider obligations.
- We progressively improved the management, reporting and quality of our market analytics dashboards and coding practice. The backend of correct data management and software practice, while largely unseen, is important for the future of increasing levels of data, AI and software, mitigating key person risk and the capability of our future workforce. Reports have become cleaner and we are continuing to work towards a consolidated backend central data warehouse.
- We reorganised our Markets group to strengthen specialist capability for the more complex markets and security supply landscape. This included establishing a distinct Security of Supply and Forecasting function, and reinforcing modelling capability. We also updated our engineering and market analyst progression frameworks and continued a focus on mitigating key person risks, to ensure we are training, mentoring and developing the key specialist expert capability that is essential to delivering our System Operator services.



Learnings:

7. The future challenges facing the System Operator are increasingly interconnected. System security, market design, operational technology, workforce capability, resilience, data, distributed resources and investment planning need to be managed as part of an integrated future operating model.
8. Industry recognises the need for the System Operator to evolve, but expects greater discipline around prioritisation, affordability, benefits and implementation, and more transparency.
9. Future capability cannot rely solely on experienced operators, tacit knowledge and manual workarounds. Better data, tools, processes and decision support are needed to maintain performance as complexity increases.

Further Opportunities:

- Convert the System Operator Strategy into an active delivery and investment framework with clear priorities, measurable outcomes, funding paths and sequencing.
- Move CRoF from roadmap development into practical delivery, prioritising situational awareness, operational intelligence, knowledge management, integrated workflows and decision support. Involve coordinators directly in design, testing and adoption so new capabilities are trusted and usable in real-time operations.
- Strengthen the connection between strategy, capability planning, TAS, market design, continuous improvement and capital delivery so change activity contributes to common capability outcomes.

"Information provided by TP/SO is valued and much appreciated."



Control Room of the Future

Our Vision

A future-ready control room that combines people, technology and intelligence to operate New Zealand's power system safely, securely and efficiently for a better energy future.



People Empowered

Skilled operators with better tools, insights and support to make confident decisions.



Intelligent Operations

AI and advanced analytics turning data into real-time insights and decision support.



Connected Ecosystem

Seamless data and communication across the power system and industry.



Resilient by Design

Built for resilience, adaptability and security in a rapidly changing world.



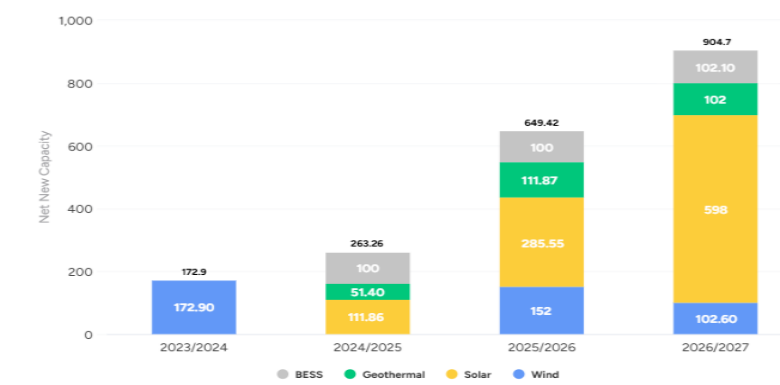
Sustainable Outcomes

Enabling a reliable, affordable and sustainable energy future for Aotearoa New Zealand.



Onboarding and commissioning

- In the 2025-26 year, we welcomed 286 MW of solar, 152 MW of wind, 112 MW of geothermal and a 100 MW battery to the power system. This 650 MW of newly synchronised connections marks an increase of around 400 MW from last year's added generation. We're anticipating around 900 MW more in 2026-27.
- To manage accelerated electrification and a growing, more complex commissioning workload, we have continued to improve our commissioning process. Projects increasingly combine technologies such as BESS, solar and large loads, and involve vendors and overseas specialists less familiar with our power systems. This has created new market design, communication, coordination and data-sharing challenges across participants, the Grid Owner and System Operator.



Commissioning optimisation

We improved our connection processes, guidance and workflow tools to help participants navigate updated commissioning requirements. The optimisations extend to earlier engagement for new asset configurations such as hybrid stations, better visibility of interconnection setup and dataset changes, and broader oversight of the delivery pipeline including onboarding into markets for energy and reserves. We broadened the scope of the Connected Customer Programme to include large loads and dynamic equipment, and leveraged engagement opportunities provided by the new Connected Asset Commissioning, Testing & Information Standard (CACTIS). Together, these improvements support clearer communication with industry, stronger project visibility and ongoing continuous improvement.

CACTIS

Within the Future Security and Resilience (FSR) programme, we worked with the Authority to draft, consult, and establish the CACTIS alongside Part 8 changes to frequency and voltage obligations. In March, the Authority decided to approve the CACTIS and we commenced implementing it by making changes to processes and information in time for the 1 July 2026 effective date.

Industry communication was a vital component of the CACTIS process. Two engineering-focused forums were held for participants from across the industry to digest, discuss, and debate the technical components of the CACTIS. These were invaluable opportunities to interface with not only asset owners, but also distribution company representatives, engineering consultants, and the Grid Owner. These events allowed us to view how changes to commissioning requirements were being received. Additionally, we updated several guideline documents, webpages, and templates, to both align with the CACTIS obligations and improve the user experience, supporting self-education.

With the strengthened technical requirements applicable to new generators, BESS facilities and other modern power system assets, we have made it clearer for prospective asset owners to understand what they must comply with to connect to the power system. At the same time, the updated requirements will allow us to safeguard system security in the coming years.

At a glance

650MW new generation connected

160% Increase in new generation connected than last year

38 New build + upgrade projects commenced

100MW BESS

2 CACTIS forums held

Other notable achievements:

- Frequency and Voltage Obligations: Working with the Authority, we progressed amendments to Part 8 of the Code to strengthen technical performance requirements for generation assets and support a secure and resilient power system.
- BESS: We have worked with the Authority to amend the Code to define the appropriate asset classifications for BESS, enabling us to more clearly assign obligations and therefore allowing BESS owners to participate in the electricity market safely, efficiently, and to take advantage of the technology.
- Hybrid Stations: Building on our growing understanding of BESS technology and its impacts, we have provided technical input in the Authority's consultation on the obligations and market involvement of hybrid stations.
- Integration of Large Loads: We progressed our requirements for large-load requirements as these assets have a more active role in power system stability, including Asset Capability Statement templates, guidance on performance, modelling and testing, and we reviewed measures taken in other jurisdictions.



Learnings:

10. Market design and common quality obligations must keep pace with technology changes by developing technical requirements and policy. Code and tool changes to incorporate BESS are incoming, though not soon enough to avoid operational challenges and re-work. A proactive focus is needed now to address the rapidly emerging new and more complex challenges of hybrid stations, and different regulatory needs for large load connections including data centres.
11. Risks to the power system are changing and our work with the Authority to keep pace is critical to protecting the future power system for New Zealand consumers. We have welcomed the progress we have made with the Authority this year in a number of important areas and look forward to progressing further market design changes, and necessary changes to our tools and processes.

Further Opportunities:

- Increased distribution network-connected generation assets will necessitate closer collaboration with the distributors on the commissioning and operation of the assets.
- With the Part 8 frequency and voltage amendments, we need to strengthen onboarding processes and use engineering resources more efficiently to support industry self-education.
- We need to continue to focus on stakeholder engagement as it remains critical to successful asset connections, especially when there is increasing complexity and timeline pressure on existing resources. We need to build partnerships early.
- The modelling and offering systems of hybrid stations will challenge us to produce innovative solutions that we may apply to more elaborate asset configurations in the future. Market design changes are needed for these complex stations to be onboarded into operation.



Outage coordination

- Every outage introduces cost and risk for all asset owners and ultimately the New Zealand energy system. The energy transition is leading to significant amounts of new investment in generation, and the Grid Owner funding increase approved the 2025-2030 regulatory control period (RCP4) means it is has entered a period of increased investment and reinvestment. Consequently, the number of outages the System Operator is now coordinate and manage in real-time continues to increase materially.
- The System Operator has spent significant time with the Grid Owner advocating for it to do more work per outage, thereby reducing the overall number of outages needed for the same amount of work. We have also supported the smoothing of grid work to avoid peaks and troughs and avoiding unnecessary short notice planning for work on primary assets. This work has involved the setup of reportable metrics, processes, monitoring and messaging to improve visibility and transparency.

Outage optimisation

We have continued improving our outage planning processes, where a key focus is now on optimising work. The amount of work per work crew has increased 9% and the amount of joined work crews per outage has increased 4%. The Grid Owner has also seen the value of optimising this work and has incentivised their service providers (who are integral to the planning process) and are also investigating outage optimisation tooling used overseas.

We have targeted reducing short notice outages (SNORS) for plannable work on primary assets that impact the market. These have dropped by 50% enabling the System Operator more time to perform its role effectively.

Outage congestion is being managed within guidelines, with an escalation path for when congestion cannot be avoided. This has allowed the System Operator to create a process to ensure highly congested weeks are proactively resourced appropriately in the control rooms reducing risk.

Demonstrating impartiality

We have continued to improve transparency and impartiality in our outage coordination processes. This includes publishing a paper on how impartiality is managed through the outage planning

process and we have started to supply the Authority with all advice provided to the Grid Owner. Through out the period there have been a number of initiatives that seek to demonstrate our impartiality in action.

We have published a process on when and how we request outages to be moved if a Low Residual Notice, Warning, or Generator emergency notice is issued.

We have proactively engaged with the Grid Owner for a conditional system split to manage periods of low hydrology in Southland. We published the process on our website and presented it to industry via our System Operator forum. This has removed a layer of a consultation previously needed for grid reconfiguration options saving an estimated 80 hours of effort. The benefit was seen this year when Manapouri did reach it low ranges and the System Operator was able to focus on reporting what it would do rather than consulting on what could do.

Further demonstrating our impartiality following a number of poor-quality Gatekeeper offers that missed highlighting the changes and led to a modelling error, we have formally made clear our expectations of offer format and quality to the Grid Owner, and that further failures to highlight changes as per the formal request will be considered as a breach.

At a glance

8644 total outages

11% Short Notices
Outage
Requests

9% Increase work
per crew
increase

4% increase crews
per outage

Other notable achievements:

- We have identified that a campaign management approach is needed for Wairakei ring outage. This is when an outage time is set and all work is filled into the avoidable slot. This allows coordinated work planning and early industry engagement on market and security impacts. This HVDC-style approach helps participants manage risk and improves the likelihood of successful delivery for high-impact outages.
- We can now generate a probabilistic forecast for each solar farm for every hour of the year, with the support of partner data. These assumptions are now being used on our engineering outage assessments, and in NZGB.
- Based on feedback we now have a standing item at our industry forums that talks to outages in each region and their impact, and any impact on the HVDC limit increasing awareness of upcoming market impacts.
- We reviewed our monthly NZGB newsletter and updated the charts to tell a better forward looking and retrospective story, these charts are being shared in the SO Forum.



Learnings:

12. Accessing our own data from POCP and NZGB has been challenging. It requires accessing an API and advanced python scripting. This means simple analytical or reporting tasks can take some time and become reliant on individuals.
13. This year without clear historical evidence to inform BESS planning assumptions we looked to overseas. Now we have clear historical evidence a future opportunity is to update the BESS planning assumptions to reflect our market environment. We expect these will be more favourable in both NZGB and outage planning assessments.
14. Through supporting the grid owner plan their upcoming Wairakei ring outages, we learnt the value of having NCC review the plan from an operability perspective - noting during such high impact outages the difficult operability can also result in security risks which should also be mitigated if possible.

Further Opportunities:

- Look to implement a project to make POCP and NZGB data sources available in Snowflake, Transpower's primary reporting data warehouse.
- Closer planning with NCC on high-impact outages which have been shown to benefit from early NCC operability review.
- Participants have asked for greater transparency of load and generation agreements. While System Operator advice is transparent, the agreements themselves sit between participants. There is an opportunity to advocate for greater transparency where appropriate

"TP makes significant effort to meet stakeholder needs. Thank You."



Compliance, impartiality, and risk

- We strengthened the System Operator’s approach to compliance, impartiality and risk management, improving transparency with the Authority and reinforcing confidence in how we perform our statutory and Code functions. We added another Counsel to our Compliance and Impartiality team and developed more visible and detailed impartiality reporting, independent assurance of our impartiality framework, clearer compliance monitoring and a new governance-focused risk dashboard for emerging System Operator risks.
- Deloitte reviewed our impartiality framework providing positive assurance and identifying some improvement opportunities that we are working to implement.

Compliance

We continued to identify, assess and report potential Code breaches, engage with participants on compliance matters, and support the Authority’s investigation and settlement processes. We self-notified 3 breaches alleged against the System Operator, and 1 was alleged by another participant incorrectly naming the System Operator. This is a 50% reduction since the year before and none of these alleged breaches had any significant market, operational or security impact. To date, they are all being investigated the Authority. We alleged 8 breaches against other participants, more than double the number the year before. To date, 4 have been closed with no further action, and 4 are under investigation by the Authority. We reported instances of non-compliance of dispatch instructions and we joined in 2 settlement requests from the Authority. We continue to assist the Authority in response to information requests

Under Frequency Event (UFE) Investigations

We investigated 5 UFEs and provided causation reports to the Authority. The complexity of investigations increased due to the Authority changing the Code definition of “causer” to now captures the System Operator. We have submitted a Code change request to correct what appears to be an unintended drafting consequence that undermines the long-standing policy behind the causer regime.

Impartiality

We maintained and monitored controls to manage actual, potential and perceived conflicts arising from Transpower’s Grid Owner and

System Operator roles. No events were identified. A Deloitte review of our impartiality framework undertaken as part of Transpower’s corporate risk and assurance program provided positive assurance it supports separation of System Operator and Grid Owner functions and is an appropriate basis for managing impartiality risks. We commenced work on opportunities Deloitte identified to improve transparency, governance documentation and escalation pathways.

AUFLS Compliance

In July 2026, we provided the Authority with our annual automatic under-frequency load shedding (AUFLS) assessment report. The assessment identified that several participants across both islands did not comply with AUFLS obligations. Despite this, both islands remained secure for credible contingency events during 2025, with no material security impacts arising from the identified non-compliances and no operational constraints on HVDC transfers. In the North Island, aggregate AUFLS provision remained above the 32% threshold at all times. In the South Island, performance improved year-on-year.

Risk dashboard

We evolved the System Operator risk register into a governance-focused dashboard, providing a clearer view of key risks, trends, controls and mitigation actions. The dashboard is linked to our broader risk framework and supports strategic discussion of the System Operator’s ability to evolve with the changing operating environment.

The first complete version of the dashboard was presented to the Authority’s Market Operations Committee (MOC) meeting in

At a glance

96% of survey respondents perceived we acted impartiality in our role as SO

4 Alleged breaches

0 Breaches with a market impact of >\$50k

5 UFE causer reports

UFE Date	Report Date
11 July	10 October
23 October	28 January
23 October	17 March
21 December	20 April
4 February	6 May

February. We will continue to monitor, update, and refine the dashboard and provide updates to MOC every six months. We also intend to hold regular workshops with Authority staff to review

existing risks and identify and assess emerging security and reliability threats.

Other notable achievements:

- We refined our compliance monitoring approach and communications, setting tighter timeframes and improving efficiency, consistency across identification and reporting of potential Code breaches. We managed and reported potential breaches by the Grid Owner in the same way as other participants, resulting in the Grid Owner self-notifying potential breaches.
- We incorporated a detailed impartiality section into our monthly reporting to the Authority, covering activities involving information barriers, separation of roles and functions, and oversight by Corporate Counsel, Compliance and Impartiality.
- We provided independent operational expertise to the Grid Owner's Non-Transmission Solutions project, and advised on the process to document any decisions made by individuals with dual roles.
- For the 11 July 2025 HVDC runback UFE involved investigation of operational decisions across System Operator and Grid Owner. We communicated our approach to the Authority early, ran an independent engineering investigation with internal information barriers in place, and separated key roles and functions within the System Operator.



Learnings:

15. The structured format of the Risk Dashboard, including the relatively of the risks and the projected trends, has enabled more targeted conversations between the System Operator and the Authority.
16. Deloitte's review confirmed that the System Operator's existing framework for managing impartiality adequately supports the separation of roles between the System Operator and the Grid Owner, and our existing policies are understood by individuals and used in practice.

Further Opportunities:

- Look to use the Risk Dashboard to support forward-looking risk conversations, focus not only on changes in risk ratings, but also on whether mitigations are progressing, whether Authority actions are clear, and whether the dashboard is prompting the right strategic conversations.
- Incorporate our existing policies and procedures into an overarching guide that explains how the System Operator manages impartiality.
- Improve transparency in our escalation pathways for impartiality risks by adopting a risk-based decision-making matrix for decision makers in dual roles.



Project delivery

- 2025-26 was a strong year for delivery of System Operator projects. A stronger starting pipeline, active portfolio management and regular prioritisation helped balance delays, maintain delivery momentum and close the year at 102% of the capital budget. This is significant because the System Operator project plan for the SOSPA3 period is a step-up in activity as we adapt to keep pace with the rapidly evolving operational environment we must respond to.
- As per the Joint Development Programme, delivery effort focused on capability needed for a more complex power system, including Future Security and Resilience (FSR), Multiple Frequency Keeping (MFK), investment in new tools including the Demand Allocation Tool (DAT), Ancillary Services Cost Allocation System (ASCAS), and Operational Notices, and enhancing the ongoing capital roadmap.
- The year highlighted the value of integrated planning across business, technology and regulatory work programmes. It also reinforced that future delivery success will depend on stronger forward planning with the Authority to be able to support and implement its market design programme, across earlier commitment to and clearer sequencing of SME effort, and tighter connection between capital projects and continuous improvement initiatives.

Technical Advisory to the Authority

The Future Security and Resilience (FSR) programme continued to mature from problem identification into regulatory, technical and operational solutions for a more inverter-based and electrified power system. Work focused on future frequency management, inertia and system strength, BESS and hybrid asset integration, CACTIS delivery, and refresh of the FSR roadmap against updated renewable generation, battery, DER and large-load expectations. Key findings showed frequency-management issues could emerge within the next two to three years under plausible future scenarios, indicating some FSR roadmap timing may need to accelerate. Other TAS work established a pathway for frequency-keeping enhancements and supported the Authority’s work on and decision to establish Emergency Reserve (ER) as a new ancillary service. The Authority had contracted for 1.57 FTE of expert advice to its work programme, but we ended the year having provided 2.81 FTE. This placed considerable strain on our key experts with effects across priority initiatives such as integrating BESS into markets and the market system, and the System Operator’s own work programme. The primary cause was the decision to progress and establish ER (1.2 FTE).

Demand Allocation Tool

In May the Demand Allocation Tool replaced the legacy Load Shed and Restore tool with an automated, equitable demand allocation capability for grid emergencies. The project improved control room planning, restoration processes and participant information.

Ancillary Services Cost Allocation System

At year end the new ASCAS tool was approaching final commissioning. ASCAS replaces legacy ancillary services tools and spreadsheet-based processes with a single automated platform for cost allocation, reporting, validation and auditability. The project delivers a more sustainable capability, reduced manual effort and operational risk, and demonstrated value before go-live by resolving a live processing issue.

Operational Notices

The Operational Notices project improved the way we issue operational notices to participants with notices now managed through Salesforce. Consistency has been improved by clearer templates, workflow approval, improved record keeping, lifecycle tracking and participant acknowledgement.

At a glance

102% delivered in our CAPEX plan

179% TAS hours achieved

5538 delivered TAS hours

3095 baseline TAS hours

Other notable achievements:

- With a strong focus on improving System Operator capability planning and delivery, we introduced quarterly senior leadership team prioritisation sessions to maintain focus on the highest-value and most strategically important initiatives. We refreshed our approach to pre-investigation problem definition, options assessment and investment decision quality before committing to delivery.
- We strengthened the Operations–IST operating model, agreeing a more connected planning rhythm, streamlined governance and clearer cross-team accountabilities. This was part of a better way of working together that built and maintained momentum to close the year with at 102% of the capital budget and the pipeline of projects for the new financial year ready to go.
- Working with the Authority we shifted the Joint Work Planning Team (JWPT) to focus on forward-looking planning, and continued to evolve the capital roadmap into a clearer rolling view of delivery priorities.



Learnings:

17. Closer integration between planning, delivery, IST and business ownership improves delivery outcomes by surfacing risks, trade-offs and resourcing constraints earlier.
18. Active portfolio management is essential where delivery depends on scarce specialist resources and shifting regulatory or market design priorities.
19. Clearer early-stage problem definition improves investment quality and helps ensure delivery remains focused on the capability uplift intended.

Further Opportunities:

- Strengthen forward planning with the Authority across FSR, market operations policy and capital investment priorities so future work across Authority and System Operator work programmes can be better sequenced, funded and resourced. This is especially important that are reliant on scarce market system expertise.
- Develop a more integrated change portfolio that connects capital projects, TAS, market design and continuous improvement activity to common capability outcomes.
- Improve visibility of subject matter expert and supporting resource constraints so delivery risks can be identified earlier and managed before they affect timelines or benefits.



Delivering annual plans

- We delivered all key initiatives consistent with our annual planning agreements with, and plans provided to, the Authority: the Strategic Objective Work Programme (SOWP), Education and Engagement Plan (E&EP), Performance Metrics and Incentives (PMI) agreement, and Business Plan.
- A key focus was implementing the SOSPA3 contractual changes. This included developing the new System Operator Strategy, resetting the JWPT to support more forward-focused joint planning, and improving coordination of scarce resources across policy development and implementation phases. It also included transitioning to a different financial framework for TAS work provided by the System Operator to support the Authority’s work programme. Commercially the TAS financial framework has not sufficiently supported the System Operator to make timely commitments to additional expert resources needed to meet an unexpected uplift in both TAS and subsequent market design implementation projects that emerged through the year.

SOWP, E&EP and Business Plan delivery

The System Operator delivered against all the defined SOWP, E&EP and business plan initiatives within the reporting period. We also delivered all the required SOSPA contractual deliverables. One SOWP deliverable, the Policy Statement was delayed relative to the planned date, due to the joint review process, but was delivered within the year. A summary of the 2025-26 SOWP, E&EP and Business Plan deliverables is provided in Appendix C.

CAPEX Plan

Consistent with the Joint Development Programme delivery of the 2025-26 CAPEX Plan was 102% of allocated funding, driven by regular prioritisation and strong alignment between Operations and IST. Capability uplift remained on track, progressing throughout the year as planned, with incremental improvements to Decision Support. Note that the majority of projects on the capex roadmap are reinvestment in maintaining technology for ensuring a reliable electricity system and delivering an effective service.

Policy Statement Review

We completed a review of the Policy Statement including industry consultation ahead of submitting the final amendment proposal to the Authority in June. It has subsequently been approved by the

Authority. The changes were largely technical and aim to improve clarity, efficiency, and reliability. We received support from industry through the consultation process, with no submitters opposing the package of changes. As part of this review, we have also identified areas that may be considered in future updates, including formalising NZGB arrangements and modernising the language and structure of the Policy Statement itself.

PMI Agreement

The Performance Metrics & Incentives (PMI) Agreement outcome for 2025-26 was 88% Performance across the 17 metrics. This is capped at the maximum 80% resulting in the full performance incentive payment to the System Operator. Refer to Appendix A for more detail.



At a glance

88% actual performance score

86% average satisfaction score from our survey

17 performance metrics

1 annual survey

Other notable achievements:

- Due to the SOSPA3 negotiations running right up to the end of June 2025, we agreed with the Authority to defer agreement on the 2025-26 PMI Agreement into the beginning of the year. Changes agreed relative to the prior year were incremental and notably introduced IST measures of system performance.
- As year end approached we again updated and agreed the PMI Agreement, for the 2026-27 year. With the new System Operator Strategy yet to be finalised later in 2026, we agreed to refine the established PMI approach, and progress a wider reset informed by the Strategy once it is in place. We also worked with the Authority and our Transpower IST delivery partner to develop some additional monthly reporting going forward.
- We continue to be challenged increasing the participation in the survey beyond the approximately 25 respondents received in recent years. This year we changed the annual System Operator Survey hosting platform to use Survey Monkey and incorporated a QR code to improve promotion through different channels like our forums and System Operator Strategy workshops and enable easier access directly from phones, though ultimately we were unable to attribute any additional participation to these aspects.



Learnings:

20. We continue to work with the Authority to improve visibility and awareness of our respective programmes of work, the opportunity to share early drafts can help improve forward planning and mitigate potential impacts to critical timelines at a later stage.
21. The TAS financial framework has not provided sufficient commercial confidence for the System Operator to build capacity with the necessary specialist capability to meet the near-doubling of Authority expectations that emerged during the year. More joined up and longer-term programme planning (consistent with the successful FSR approach), and corresponding commercial arrangements are necessary for market design and implementation in our tools to keep pace with rapidly evolving industry needs.
22. Despite attempts to make the annual survey more accessible and increased the promotion of it we still struggled to attract participation. A more succinct question set and targeted approach to stakeholders may be required.

Further Opportunities:

- The new System Operator Strategy (once finalised) will set the foundation for a full refresh of the Performance Metrics and Outcomes in the PMI framework, with a much greater focus on outcomes that matter for the power system, consumers and Aotearoa New Zealand.
- Fully review the timing, approach and question set of the annual System Operator Survey. A substantial change in approach needs to be considered to ensure the System Operator and stakeholders are getting value from the effort to complete this initiative
- Through the SOSPA4 reset process Authority there is an opportunity to align on a more sustainable future contractual framework, funding and reporting expectations that better support both the Authority and Transpower to meet expectations for the System Operator service.



Participant engagement

- In an increasingly digital world it is important to maintain in person engagement where appropriate, which helps foster broader stronger connections and can improve learning opportunities. Key events throughout the year where we encourage in person engagements include the Asset Owners engineering forum, the Industry Exercise and our targeted Black Start industry exercise. We established an industry panel to inform ERS design and a number of stakeholder workshops for the Strategy were also in person and hybrid format. We regularly support Control Room visits and present at forum such as the Energy Traders forum, and key industry conferences like EEA, and Downstream.
- We continue to encourage and further develop our engagement with the industry. We have published papers and insights on a broad range of topics, and provide content rich industry forums. Our consultations request and listen to feedback before we action them. One of the ways to measure our performance in working (communicating?) with the industry can be measured by comparing the volume of industry interaction with us via our website against the previous year.
- We continued to manage relationships with key energy sector journalists to enhance public understanding of the work we do coordinating sector efforts to keep the power flowing to New Zealanders, especially when conditions are at their most challenging.

Industry Forums

We have held 26 of our fortnightly System Operator industry forums, an extended one to cover the SOSFIP changes, and a special forum to ensure the industry was prepared for Winter. We held our annual Engineering Forum focussed on CACTIS and several additional information and training webinars throughout the period. The forums are well received and we achieve good regular participation making them an integral part of our engagement with industry. All our forums provide the opportunity for attendee participation and questions; there is an opportunity to ensure we provide Engagement opportunities that facilitate two-way dialogue. Previous forums are available on our website.

Digital comms

We have had a 31% increase on views of System Operator pages and over 3000 more documents were downloaded than last year. We can also use this Information to identify areas we can improve, to create greater engagement, such as in our Learning Centre, which saw views reduce by 9%.

"Top marks for the weekly SO report Insights piece - topical and not too long or technical, with charts - I'm always forwarding them on. The IG constraints one in particular is a nice reference piece and I use it as my response to many queries."

At a glance	
8	consultations
23	Industry forums
59	email campaigns
577k	website views
43	market insights
8844	downloads of the market insights
1281	subscribers to the SO newsletter

577,312 VIEWS

of system operator pages up
31% from last year
OF THAT:

382,613

VIEWS

of power system
live data up 44%
from last year,
these pages
remain the most
viewed pages on
the website

1,281

subscribers

to weekly
Security of
Supply
newsletter, 309
new subscribers
and 117 were
unsubscribed

38,240

VIEWS

of the Security of
Supply pages
down 58% from
last period

9,191

views

Operational
Information
pages up 42%

62,724 DOCUMENTS

relating to system operations were downloaded from
the Transpower website
COMPRISING OF:

8,681

CANs

downloaded from
Transpower website, an
decrease of 1,135

10,192

Excursion

Notices

downloaded
from the
Transpower
website

this is additional to notices emailed
directly to market participants

60,844

downloads

of Weekly Market Report
this includes the published weekly
insights

2,391 views

of the Learning Centre page down **9%** from last year
contributing to **60,407** views of system operator
learning content on the Transpower YouTube channel.

3,952 downloads

of the 86 procedure documents we
published on the website

Consultations

12,503 views

of our system operator consultation pages and

5,335 downloads

of Consultation and Submission Documents

Fortnightly Industry

Forums

The recorded videos were viewed

313 times

and **591** slide packs
were downloaded

Response to 2024-25 Recommendations

Recommendation 1: Focus on the evolution of the system operation function through its strategy development. This should include (but not be limited to): information technology strategic roadmap, future planning for systems, control room of the future, workforce development and retention.

Response: The draft System Operator Strategy combines technical, market, and policy information to complement a range of existing and planned work programs. It considers both the scope of the System Operator's role and functions today, as well as contemplating the future needs of the power system, market and industry. The development of our new Strategy has been informed by two rounds of industry engagement, which is a new and important element of our strategic planning approach, ensuring that diverse perspectives from across the sector contribute to shaping our priorities into the future.

Recommendation 2: Provide more detailed information on situations where impartiality issues arise, either in the monthly reporting or otherwise, including the detail of the specific situation, the internal processes applied, and actions taken.

Response: We report regularly on applications of impartiality in our Monthly Reports to the Authority, which are published on the [Authority's website](#). Since July 2025 we increased our level of information sharing with the Authority around how we manage impartiality, to provide added assurance and transparency. We included a new and more detailed section on Impartiality which covers specific activity each month that involved internal information barriers in place, the separation of key roles and functions, and oversight by Corporate Counsel, Compliance and Impartiality.

We have also in the reporting period published an information paper on our approach to [how impartiality is applied in our Outage Planning functions](#)

Recommendation 3: Make use of the Service Enhancement Capex project funding option available under the SOSPA to ensure that major tool enhancements can be accommodated in a timely manner with appropriate funding

Response: The System Operator agrees with this recommendation and will continue to consider Service Enhancement opportunities as capacity and wider priorities allow. During the reporting period since the Authority finalised and published these recommendations the System Operator has supported a significant uplift in TAS project delivery, almost double the original agreed TAS hours for the year, and nearly triple the forecast base hours for Q3/Q4. This work has included the establishment of two Market Design projects which have put significant extra workload on the System Operator resources. We are also now progressing through TAS work to an anticipated third Market Design project kicking off within a 6-month period.

Recommendation 4: Discuss with the Authority performance metrics proposed by the Authority related to IT systems, with the aim to agree these metrics with the Authority and implement them in the 2026/27 financial year. This will ensure the Authority and market participants have assurance that systems are performing as required.

Response: This was discussed with the Authority during the process to review and agree the 2026-27 PMI Agreement. The Authority provided a list of possible IST performance and reporting and measures for consideration. These were considered by System Operator management in conjunction with Transpower IST representatives and it was subsequently agreed that the System Operator would provide the Authority with a new Market System report produced by IST on a monthly basis. This rather, than new performance metrics, was agreed suitable particularly with the anticipated significant overhaul of the PMI Agreement and metrics planned to support the new System Operator Strategy, which will be finalised and agreed to take effect from the 2027-28 year.

Recommendation 5: Work with the Authority to clarify roles and responsibilities for planning and running future industry exercises.

Response: The Authority and System Operator teams again delivered a well-run industry exercise this year. Participant feedback was very positive, with participants recognising the effort involved in providing this important training opportunity. The exercise also provided useful insights into how planning and delivery arrangements could be further strengthened, particularly through clearer role and responsibility settings across the delivery team. Since the exercise, work has started on an Industry Exercise Standard Operating Procedure (SOP) to support the planning and delivery of future events. This is being progressed collaboratively, with the System Operator contributing relevant operational input, including our existing internal procedure. The next stage of work on the SOP is expected to progress in quarter 2 of the financial year

Recommendation 6: Continue to encourage the Grid Owner to plan and promote operational discipline to optimise maintenance and reduce development-driven outages on the grid

Response: Over the past year we have focused on supporting and encouraging the Grid Owner to reduce plannable short notice outages on its primary assets, reducing market impact of high impact outages, and increasing its work per outage thereby reducing the amount of outages for the same amount of work. Since this collaboration the Grid Owner has:

- Increased its work crews per outage by 4%. Reducing the number of total outage by ~250 per annum.
- Increased its work orders each work crew does per outage by 9%. Reducing the number of outages by a further ~500 per annum.
- Controllable outages planned inside 12 weeks on primary assets are down from ~20% of total outages to ~10%.
- The Grid Owner is managing high impact outages on the Wairakei ring in a campaign style. This style is how the HVDC is planned, where the outage dates are locked in early and work planned within those dates, with high industry engagement.

We have also supported greater impartiality by publishing three procedures on:

- How requesting outages be moved is done following a low residual notice.

- How requesting grid outages and grid reconfiguration is managed in the lower South Island during regional low hydro situations.
- A paper on the impartiality controls that are inside Transpower's outage planning processes.
- Sharing the information shared from the system operator to the grid owner in the monthly System Operator EA performance report.

Recommendation 7: Prepare and publish discussion papers on a wider range of topics.

Response: Over the past year we have broadened the range of topics covered in our published papers, using them to share System Operator insights on issues of wider industry and stakeholder interest. Rather than relying only on standalone education pieces developed specifically for publication, we have increasingly drawn on work already underway across the System Operator and shaped it into accessible papers where it can support sector understanding. This approach has enabled us to share a broader range of operational, technical and policy-related insights, including papers on resource adequacy in a highly renewable islanded power system, lessons from the Iberian Peninsula blackout, power system stability, and impartiality in outage planning.

Recommendation 8: Proactively make suggestions to improve content or reporting where appropriate; in particular, the Authority suggests the following are addressed for improved content:

- the performance of Ancillary Services to include more than just cost performance;
- system frequency and voltage reporting to include more than the minimum requirements in the Code.

Response: With the ASCAS project approaching commissioning, we are commencing work to rebuild our quarterly ancillary services performance reporting charts to use enhanced data storage, interrogation and presentation capability. The new ASCAS tool will also provide the Authority more granular reporting of costs (by site and participant, rather than by participant only). This capability investment will in future provide a better starting point from which to improve performance reporting going forward, while noting that future investment would need to be funded in order to provide a step change in reporting to be achievable.

In parallel, we have continued to incrementally develop our monthly reporting on ancillary services activity. Feedback and questions we regularly receive from Authority staff help us to understand where simple changes in our approach are useful.

Recommendation 9: Ensure its strategy informs future performance metrics by considering the needs of the System Operator, the Authority, and industry.

Response: We have commenced identification and mapping of possible Performance metrics that align with the proposed new SO strategic priorities and support the possible outcomes. Existing PMI metrics, broader system and System Operator specific performance metrics and performance monitoring applied by SO from other jurisdictions such as AEMO have been incorporated into this early stage consideration. It is anticipated to maintain the existing PPMI scoring and weighting structure Engagement will be undertaken with

Recommendation 10: Provide reporting on actionable insights or lessons learned from international engagements to help the Authority understand what could be implemented in New Zealand.

Response: International engagement are an important focus for the System Operator. Learning from other jurisdictions particularly where they have advanced learning of some of the system change we are anticipating or experiencing in the New Zealand system. It is particularly important to learn from incidents and events in other countries and ensure learnings can be applied in advance of potential issues occurring here. Our work to engage and understand the Chile blackout, and the events that led to the Iberian Peninsula blackout are examples of these. As well as taking the learnings for our own purpose, and sharing them with the Authority, we also presenting these at industry forums and published the information to help inform the broader industry. Other examples include two of our Operations Managers visiting Transgrid and AEMO, which confirmed that the System Operator compares favourably with both organisations in the quality and scope of training provided to controllers and operational staff. The visit also identified opportunities to strengthen assurance processes and informed follow-up work within Transpower.

With regard to ongoing reporting of our international engagements, there is a standing item section in our monthly SO reports and the quarterly EGM update to MOC includes a standing item.

Appendix

Appendix A: DOCUMENT AND PUBLICATIONS INDEX

Publications

[Power System Stability Information Paper](#) – June 2026

[Iberian Peninsula Incident Blackout Paper](#) – June 2026

[System Operator Impartiality: Approach to Outage Planning](#) – June 2026

[Supporting resource adequacy in a highly renewable, islanded power system](#) – December 2025

[Security of Supply Review - Winter 2025](#) – November 2025

Consultations

[System Operator Strategy \(stage two consultation\)](#) – June 2026

[Draft Policy Statement 2026](#) – May 2026

[Draft Security of Supply Assessment 2026](#) – May 2026

[Emergency Reserve industry co-design panel and EOI](#) – May 2026

[System Operator Strategy \(initial engagement paper\)](#) – February 2026

[2026 Security of Supply Assessment: Reference Case Assumptions and Sensitivities](#) – November 2025

[SOSFIP Consultation 2025 - Draft amendment proposal](#) – November 2025

[Connected Asset Commissioning Testing and Information Standard \(CACTIS\)](#) – September 2025

[Evolving market resource co-ordination: Tie-breaker provisions](#) – August 2025

Forums & Events

[Industry Exercise 2026](#)

[Asset owners engineering forum 2025](#)

[System Operator Industry Forums](#)

Reports

[Quarterly Security of Supply Outlook](#)

[Energy Security Outlook](#)

[New Zealand Generation Balance \(NZGB\)](#)

[Market Operations Weekly Report](#) (incl. our weekly Market Insight)

[Quarterly System Performance Report](#)

Appendix B: PERFORMANCE

Risk register has been updated and tested externally with the Authority and widely among industry participants	3 PM1 Score	All categories of stakeholders are actively engaged by the system operator throughout the year	3 PM9 Score	% of key SOSPA documents delivered on time to the Authority	5 PM17 Score	New security and reliability risks are identified and appropriately managed	4.50 O1 Score
% of SMART actions from the control self-assessment with maturity ratings of 1 or 2 will be addressed by the planned due date	5 PM2 Score	% of industry submissions, made in response to system operator consultations, which are responded to	5 PM10 Score	TAS project delivery performance	5 PM19 Score	Significant events are appropriately scoped, understood, prepared for and managed	4.56 O2 Score
% of actions from industry exercises which were completed on time	5 PM4 Score	Average satisfaction score from stakeholders from Annual Survey	4 PM12 Score	Market impact of breaches remain below threshold	5 PM20 Score	The Authority is supported to evolve and develop the electricity market and power systems	4.36 O3 Score
Percentage of actions from significant events which are closed on time	5 PM6 Score	Average score from stakeholders on their perception of SO impartiality	4 PM13 Score	Sustained SCADA (Supervisory Control and Data Acquisition) availability	5 PM21 Score	Relevant market information is made accessible to stakeholders	4.27 O4 Score
On time delivery of significant event reports	4 PM7 Score	Number of thought leadership publications on specific areas of system operator work that affect and/or are of interest to the industry	4 PM14 Score	Unplanned dispatch outage - unplanned time spent on Stand Alone Dispatch (SAD).	5 PM22 Score	Stakeholders are effectively informed on and included in decisions where relevant	4.17 O5 Score
Average satisfaction score from stakeholders, as per responses received to transactional surveys taken at forums and asked for in correspondence	4 PM8 Score	# of SO Industry Forums held	5 PM16 Score			Stakeholders are satisfied with our service	4.33 O6 Score
						SOSPA delivery provides value	4.56 O7 Score
						Performance Actual %	Overall Outcome Score
						88%	4.39
						Performance % Score	Incentive Payment
						80%	200,000

Appendix C: 2025-26 BUSINESS PLAN DELIVERABLES

System Operator Business Plan

Item	Outcome	Comment
Undertake a full review of the System Operator strategy informed by stakeholder consultation.	✓	Progress on track with consultation two open for feedback by the end of 2025-26
Support security of supply for the future power system by delivering the SOSFIP review.	✓	SOSFIP Review was complete and amendments implemented within 2025-26
Support future-focussed market developments through white papers, consultation processes and cross-industry forums.	✓	Five papers of varying topics published, 8 consultations and a significant number of forums held.
Develop and begin implementation of system health, tool and modelling roadmap.	✓	Power system health monitoring requirements and high level roadmap drafted and developing near term improvements.
Ensure our service keeps pace in an ever increasingly complex world by implementing Control Room of the Future roadmap.	✓	CRoF roadmap continued to be progressed though was increasingly incorporated with the SO Strategy development
Continue to deliver modelling process improvements and build maturity of modelling assurance and monitoring.	✓	Range of initiatives including end to end asset modelling optimisation process and incorporating CACTIS timeline requirements

Statutory Objective Work Plan

Item	Outcome	Comment
SOSFIP (Review)	✓	Complete and implemented
Policy Statement Review	✓	Complete, submitted in 2025-26 after delay through joint review process.
Procurement Plan (implementation & deferred items)	✓	2025 changes implemented. Industry engagement and plan for deferred changes completed
Reset SO Strategy	✓	Progress on track with consultation two open for feedback by the end of 2025-26.

Education & Engagement Plan

Item	Outcome	Comment
SO Strategy Refresh	✓	Significant industry engagement
Control Room of the Future	✓	Ongoing work and alignment with the Strategy workstream
Outage co-ordination improvements	✓	Progress readily communicated including the publishing of the approach to impartiality in outage planning paper.
Consultations – SOSFIP, SOSA 2026, Policy Statement	✓	Completed and communicated incl forums to cover SOSFIP and SOSA changes

Item	Outcome	Comment
2025 Asset Owners Engineering Forum	✓	Completed
Driving understanding of electricity system operations	✓	Complete and ongoing.
Enhance visibility of SO commissioning process	✓	Work and further industry engagement as a continuation of the commissioning process optimisation initiative now part of BAU.
Ongoing participant compliance education	✓	Completed through a range of initiatives including CACTIS, Ancillary Service optimisation, Industry and operational forums.



TRANSPower