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Electricity Authority  
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**Driving Efficient Solutions to promote consumer interests through Winter 2023 - Submission by MainPower New Zealand Limited.**

MainPower New Zealand Limited (MainPower) thanks the Authority for the opportunity to make this submission.

Nothing in MainPower's submission is considered to be sensitive and the whole submission can be published.

MainPower supports the submission of Orion New Zealand Limited and the Electricity Networks Association Limited.

MainPower wishes to further separately address question 10 only.

**Q10 Do you agree that the availability and use of discretionary demand control (such as ripple control not used for instantaneous reserves) should be clarified? If not, what is your view and why?**

While MainPower agrees with the Authority that it is important to have better information on "discretionary load" and clarity on when it could be used, MainPower disagrees with the Authority's suggestion that distributors should be incentivised to offer demand management contracts to retailers to manage customer load on behalf of the distributors.

Load management is a key tool for distributors to manage the overall stability of their networks and to ensure an appropriate level of network investment. Without load management distributors are likely to have to build their networks to provide for higher levels of redundancy than would otherwise be the case. This would come at a significant cost to electricity customers.

It is MainPower's view that giving retailers the ability to manage load could result in perverse outcomes in that retailers are not incentivised to ensure the stability of the system and there is a risk that load management could be used for commercial ends leaving no capacity in the system in the event of demand having to be curtailed to meet the system operator's requirements or distribution network response to events that disrupt supply.

While Distributors do not participate in the spot market, they do have an in depth understanding of their networks and how to manage those networks to ensure that when reliability comes under pressure, the effect on customers is minimised to the greatest extent possible. This knowledge is critical in ensuring that consumers continue to benefit from a reliable supply of electricity.

[www.mainpower.co.nz](http://www.mainpower.co.nz)

The importance of management of discretionary load dictates that the industry should be careful in adopting changes that affect how demand management works and for this reason we should be avoiding ad hoc short term measures. Rather a more measured approach should be adopted, and options considered such as that described in Orion New Zealand's submission. In addition, the System Operator should continue to make full use of existing initiatives such as the Upper South Island Load Management arrangement.

Please do not hesitate to contact Sarah Barnes at this office should you have any questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Barnes', written in a cursive style.

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