



5 May 2021

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

By email: battery@ea.govt.nz

Consultation Paper - Battery energy storage systems offering instantaneous reserve

Contact welcomes the Authority's consultation on battery energy storage systems (BESS) offering instantaneous reserve and supports the view that to enable this type of technology to fully participate in the market to reduce overall system costs and improve system stability, then changes are required to the code and the procurement plan.

We agree that these changes, along with the proposed changes to the TPM residual charge, will facilitate an increased uptake in BESS moving forward. We also welcome the next stage of work with the system operator to develop new ancillary services that will fully realise the full potential of this type of technology.

Annex A responds to the specific questions raised by the Authority. Should you have any questions, please let us know.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Gerard Demler", with a long horizontal flourish extending to the right.

Gerard Demler

Transmission Manager, Contact Energy

Annex A: Responses to specific questions raised by the Authority

Authority Question	Contact Response
1. Do you agree the issue identified by the Authority is worthy of attention?	Contact agrees.
2. Do you agree with the objectives of the proposed Code amendment? If not, why not?	Contact agrees
3. Do you agree the benefits of the proposed amendment outweigh its costs? Do you have any comments about the concerns Contact has raised about grid batteries?	Contact agrees
4. 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.	Contact agrees.
5. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Contact agrees.
6. Do you have any comments on the drafting of the proposed Code amendment?	Yes. We question why the Part 1.1 definition of partly loaded spinning reserve does not include the spare capacity provided by a battery system? Can the Authority please elaborate on this further.
7. Do you have any comments on the drafting of the proposed procurement plan amendment?	No.