



6 May 2021

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

WEL Networks Limited (“WEL”) welcomes the opportunity to provide a submission on Battery energy storage systems offering instantaneous reserve consultation.

We believe the uptake of grid Scale BESS will increase competition in the Instantaneous Reserves (IR) Ancillary Services Market and provide other benefits. The participation by BESS in the IR Ancillary Service should not be limited by the way the Code is currently drafted.

We believe revenue from participating in the IR market is likely to be a major factor in a commercial business case for grid scale BESS. A reduced ability to provide IR will likely delay the appearance of grid scale BESS.

We have provided responses to the consultation questions in the appendix to this submission.

Yours sincerely

Kerry Green

General Manager, Energy Services

WEL Networks





Submitter	WEL Networks Ltd
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Question	Comment
Q1. Do you agree the issue identified by the Authority is worthy of attention?	<p>Yes. Grid Scale BESS can increase competition in the Instantaneous Reserves (IR) Ancillary Services Market. The participation by BESS in the IR Ancillary Service should not be limited by the way the Code is currently drafted.</p> <p>Revenue from participating in the IR market is likely to be a major factor in the commercial business case for grid scale BESS. A reduced ability to provide IR will likely delay the appearance of grid scale BESS.</p>
Q2. Do you agree with the objectives of the proposed Code amendment? If not, why not?	Yes.
Q3. Do you agree the benefits of the proposed amendment outweigh its costs?	Yes.
Q4. 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.	Yes.
Q5. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Yes.
Q6. Do you have any comments on the drafting of the proposed Code amendment?	No comments.
Q7. Do you have any comments on the drafting of the proposed procurement plan amendment?	No comments.

