



6 May 2021

RE: Consultation on battery energy storage systems offering instantaneous reserve

Dear Sir/Madam,

Infratec welcomes the opportunity to provide a submission on the consultation on battery energy storage systems offering instantaneous reserves.

We believe that grid scale BESS can offer increased volume to the Instantaneous Reserves (IR) market which provides benefits such as increased HVDC transfer. We agree that the code, as presently written, forms a regulatory barrier that prevents BESS from participating in the IR market. We also believe that this barrier only serves to delay the uptake of large scale BESS technology in New Zealand.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Crossland".

Dr Andrew Crossland

Infratec New Zealand Limited

Appendix: Responses to consultation questions

Question	Comment
Q1. Do you agree the issue identified by the Authority is worthy of attention?	Yes. The participation by BESS in the IR Ancillary Service should not be limited by the way the Code is currently drafted.
Q2. Do you agree with the objectives of the proposed Code amendment? If not, why not?	Yes. We also think that it is important to reflect that BESS can offer service when charging.
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.