

11 May 2021

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## Response to Extended Reserve Code Amendment Consultation Paper

### Introduction

- 1) This is Vector Limited's (Vector) response to the Electricity Authority's (the Authority) consultation paper "Extended Reserve Code amendment", dated 13 April 2021.
- 2) Vector supports the proposed amendment to the *Electricity Industry Participation Code* (the Code) to transition to a 4-block regime for Automatic under-frequency load shedding (AUFLS) provision on the North Island.

### Responses to consultation questions

**Q1:** Do you agree the issues identified by the Authority are worthy of attention?

- 3) Vector agrees that the issues are worthy of attention to address the impacts from increasing variable renewable energy resources on the electricity system and manage the risk of system frequency falling further and faster for contingency events in the future.

**Q2:** Do you agree with the objectives of the proposed amendment? If not, why not?

- 4) Yes, we agree with the objectives of the proposed amendment to the Code as described by the Authority.

**Q3:** Do you agree with the proposed changes to the monitoring data resolution and requirements? If you disagree, what monitoring regime do you think would be more efficient?

- 5) Yes, we agree with the proposed changes to the monitoring regime and would like to note that Vector faced challenges uploading half hourly resolution data to the data portal that was previously used to review 4-block AUFLS regimes. We recommend that the new data portal be designed to allow simultaneous uploads of data sets, such that the data for each GXP does not have to be uploaded one at a time.

**Q4:** Do you agree with the incorporation by reference of the ATR and the proposed process for amending the ATR?

- 6) Yes, we agree that the AUFLS technical reference (ATR) should be included by reference in the Code, to allow more adaptability for the System Operator to ensure continued system security.

**Q5:** Do you agree that a 30 June 2025 deadline will provide enough time for providers to transition their systems to the 4-block AUFLS scheme?

- 7) Given that there is a new data portal, the ATR still must be consulted on, and the scope of work for the transition will vary significantly for each participant, we are concerned that it will be difficult for all participants to meet the proposed deadline.
- 8) A deadline that allows a transition period of 5 years may be more reasonable, given the amount of work that still must be undertaken and the associated uncertainties with those efforts.
- 9) An alternative approach may be setting a deadline for the transition plans to be in place with the System Operator. Since the Authority has already stated the objective of managing the transition as quickly as possible while still ensuring system security, this may give the System Operator additional flexibility with participants facing extreme circumstances.

**Q6:** Do you agree with the use of equivalence arrangements to allow previously exempted parties to work towards compliant AUFLS provision?

- 10) Yes.

**Q7:** Do you agree the benefits of the proposed amendment outweigh its costs?

- 11) Yes.

**Q8:** 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.

- 12) Yes.

**Q9:** Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?

- 13) Yes.

### **Concluding Comments**

- 14) Vector supports the proposed Code amendment, and we are happy to provide further information to support this submission or discuss any aspects of it with the Authority. Please contact Neil Williams at [Neil.Williams@vector.co.nz](mailto:Neil.Williams@vector.co.nz) or 09 978 7633.
- 15) No part of this submission is confidential, and we are happy for the Authority to publish it in its entirety.

Yours sincerely



**Neil Williams**

General Manager – Market Regulation