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EXTENDED RESERVES CODE AMMENDMENT - EA CONSULTATION PAPER- APRIL 2021 WINSTONE PULP INTERNATIONAL LIMITED'S SUBMISSION

This is Winstone Pulp International Limited's (WPI) submission on the Electricity Authority's consultation paper "Extended Reserves Code Amendment", dated 13th April 2021.

The submission relates to WPI's obligations under the Extended Reserves regime at our Pulpmill site which is directly connected to the grid at the Tangiwai GXP. This submission is not confidential.

We support the EA's intention to introduce a four block AUFLS scheme in the North Island and we support the Major Electricity Users Group's (MEUG) submission on this consultation paper.

However, as discussed in the following sections, we are concerned that WPI may not be able to reasonably comply with the proposed Code amendment, either by directly providing a suitable AUFLS load block, or by contracting with a third-party provider.

1. Clarity on what our AUFLS volume obligations are

It is not clear to us what our volume obligations will be, because the definition of pre-event load is vague, and the draft technical requirements seem to have some inconsistencies with the proposed Code amendment.

Our average site load is around 28MW and we currently offer approximately two thirds of this load as IL. It is not clear to us whether this means our AUFLS volume obligation is 32% of our load before an associated IR event (~9MW) or after an associated IR event (~3MW). We note that in some instances, an AUFLS event may not "immediately" follow an IR event.

We think we have enough suitable load to provide in the order of 3MW of AUFLS, but we could not provide 9MW because that would mean we would need to trip the whole site. As explained in the next section, we do not think this would be desirable for the performance of the AUFLS scheme and it would at least be very problematic for our operation, and potentially cause significant harm.

We would like the Code and technical specification to make it clear that our AUFLS obligation is 32% of our post IR event load. Otherwise we do not think we could comply with the proposed Code change either by directly or indirectly providing AUFLS.

2. Barriers to directly providing AUFLS

An AUFLS trip of our whole residual site load after an IR event will create safety hazards for our staff, risk damaging our process plant, risk upsetting the biological health of our wastewater treatment plant, risk breaching our RMA conditions, and require a complex and time-consuming process to restart the process plant.

We also think that several of our site load blocks are unsuitable for providing AUFLS because:

- (i) They have an unpredictable load pattern. The demand from most of our site load blocks cannot be predicted based on historic load data because they do not have the load diversity that typically exist in distribution network blocks. This issue was previously discussed in detail with the Extended Reserves Manager (under the previous ER proposal) who determined that most of our load blocks did not meet their load specification; and
- (ii) the instantaneous demand of some of our large load blocks can vary significantly during a trading period by an order of magnitude. At times they can be a small fraction of the half hourly average, and at other times much higher than the half hourly average.

If all our post IR event load were to be used as AUFLS, we would not be able to meet the data requirement because we do not have historic meter data for all of our potential sub-load blocks. WPI first would need to install new meters to capture real time data. And even if we did this, the data for several of our residual load blocks would have no real worth for predicting future load at the time of an AUFLS event.

3. Barriers to contracting with a third party to satisfy our AUFLS obligations

Your proposed code amendment assumes that there will be third parties prepared to contract with WPI to provide AUFLS as an alternative means of satisfying our Code obligations. We think this is very unlikely because this would mean that they would need to increase their level of AUFLS contribution well above their current levels and justify this to their own customers. We are not aware of any potential providers who may be able to provide a suitable alternative to match our obligation.

Thank you for the opportunity to make this submission.

Yours sincerely



Stuart Gibson

Pulpmill Site Operations Manager