

Meeting Date: 26 October 2022

PURPOSE AND SCOPE OF NEXT
MEETING'S SUBSTANTIVE PAPERS

SECURITY
AND
RELIABILITY
COUNCIL

Note: This paper has been prepared for the purpose of the Security and Reliability Council. Content should not be interpreted as representing the views or policy of the Electricity Authority.

1 Purpose and scope of next meeting's substantive papers

1.1 This is the SRC's opportunity to provide verbal guidance for next meeting's substantive papers

- 1.1.1 The purpose of this paper is to allow the SRC to provide expectations for the following meeting's substantive papers and improve the efficiency and effectiveness of the secretariat's preparation. If there is any particular context or SRC concerns/questions, these would be valuable to share with the secretariat.
- 1.1.2 The secretariat's suggestions for the Q1 meeting (date TBC, following confirmation of Authority Board dates) are set out below for discussion and refinement at this meeting.

1.2 Industry Associations

- 1.2.1 A key theme for the SRC's Q1 2023 meeting is *industry associations* and their role in the transition to a low emissions future.
- 1.2.2 The secretariat considers the purpose of this theme is to:
 - a) provide the SRC with information about parts of the sector it may, as a group, have had less exposure to
 - b) provide the SRC with information it can use to support the Authority to achieve its objectives
 - c) Increase sector understanding of the SRC's role and build trust and confidence
 - d) ensure the SRC's focus enables it to provide the Authority with meaningful, actionable advice
- 1.2.3 The aim is for papers and presentations to provide information about the role industry associations perform, particularly during the transition to decarbonisation of the sector. A further aim is to increase understanding of relevant industry association workstreams to identify areas of aligned focus and how they can support system security and other relevant Authority objectives.
- 1.2.4 In preparation for the meeting, SRC members may wish to consider relevant questions they have, so these can be included in scopes the secretariat will put together for presenters and attendees.
- 1.2.5 The secretariat will invite a range of industry associations to attend and present and be available for questions. The proposed list includes:
 - a) Gas Industry Co (GIC - not in their co-regulator role),
 - b) Electricity Networks Association (ENA),
 - c) Electricity Retailers Association of New Zealand (ERANZ),
 - d) Major Energy Users Group (MEUG),
 - e) Electricity Engineers Association (EEA),

- f) New Zealand Control Systems Security Information Exchange (CSSIE)

1.3 Demand Response

- 1.3.1 This theme arises from member concerns about the level of sector focus on demand response and its role in maintaining system security, reliability, and resilience.
- 1.3.2 The aim is for papers and presentations to provide information on:
 - a) current state of demand response regulation and management
 - b) proposed workstreams and initiatives to support increased demand response services
 - c) the experience of participants offering aggregated demand response services
- 1.3.3 The secretariat will invite a range of regulation and market participants to attend and present and be available for questions. The proposed list of external presenters includes:
 - a) Octopus Energy,
 - b) Enel X,
 - c) Electricity Engineers Association (EEA) (communications standards),
 - d) a large retailer (eg Meridian or Contact),
 - e) the Meat Industry Association; and
 - f) the Dairy Company Association.
- 1.3.4 The secretariat proposes to also arrange an update from the Authority on its relevant workstreams supporting demand response, including regulatory amendments.
- 1.3.5 **Case study:** - SRC members are asked to consider whether they would like a presentation by way of case study, for example from an aggregated Distributed Energy Resource (DER) provider, such as Solar Zero. This could include their initial experience and learnings in this developing market. A case study could also include perceptions as to what changes, if any, may be required to support the increased levels of demand response needed in future.

1.4 Annual self-review of system operator performance

- 1.4.1 The SRC is reviewing the system operator's self-review at this October meeting, together with draft initial comments from the Authority's management. This item is noted for the SRC's Q1 2023 meeting because the Authority's review will be finalised, enabling the SRC to gauge its input into the Authority's final assessment for 2021-22 and provide the Authority with any advice about matters to potentially note for the following year's review.
- 1.4.2 The Electricity Industry Participation Code 2010 (Code) requires the Authority to review the system operator's performance each year. When doing this, it must take

account of a self-review that the system operator must perform each year under the Code.¹

- 1.4.3 The secretariat proposes to include this item in the Updates paper for the Q1 meeting and welcomes the SRC's feedback if it were to prefer a different approach.

2 Questions for the SRC to consider

- 2.1.1 The SRC may wish to consider the following questions:

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| Q1. | Does the SRC have any other suggested topics/papers for the Q1 2023 meeting, aligned with the industry association or demand response themes? |
| Q2. | Does the SRC have further detail or comment to add to the proposed topics/papers? |
| Q3. | Does the SRC have further guidance for the secretariat about how it would like to receive information about the themes for upcoming meetings? |
| Q4. | What other presenters, if any, would the SRC like to hear from at the Q1 meeting? |

¹ Clause 7.11 of the Code specifies the requirements of both the system operator and the Authority in reviewing the system operator's performance.