

Electricity Authority
PO Box 10041
Wellington 6143
Via email submissions@ea.govt.nz

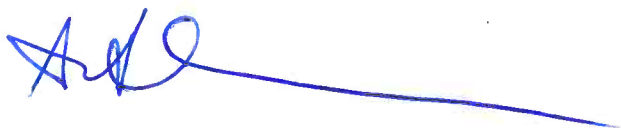
15 May 2018

Consultation Paper – Enabling the system operator's Dispatch Service Enhancement project

Mercury welcomes the opportunity to provide feedback on the proposal to amend the Electricity Industry Participation Code (Code) and the Approved Systems Document to allow the system operator to replace the existing GENCO system it uses to issue electronic dispatch instructions. We are generally supportive of the proposal although we believe that the costs for participants are highly likely to be greater than estimated. We would require more technical information to be made available before we could provide an accurate cost estimate and to be completely satisfied that the proposed sunset date for GENCO of 31 December 2020 allows us sufficient time to transition to the new communication protocols. We note that these are expected to be available in June 2019. We look forward to being closely involved in the design and build process and to receiving more detailed technical specifications as they come to hand. Our response to the consultation questions is outlined in the appendix.

If you have any questions please contact Andrew Anderson 07 857 0112 andrew.anderson@mercury.co.nz.

Yours sincerely



Andrew Anderson
Trading Manager

Consultation Questions

Question	Comment
1. Do you agree the issues identified by the Authority warrant amending the Code provisions for dispatch instructions and the Approved System Document?	Yes.
2. Do you agree with the proposed sunset clause ending GENCO's status as an approved system on 31 December 2020?	Yes in principle. We would like more technical information to be made available as soon as possible to help us with our planning and budgeting to transition to the new protocols.
3. Do you agree with the objectives of the proposed amendment?	Yes.
4. Do you agree the benefits of the proposed amendment outweigh the costs?	<p>Yes in principle but we think it is highly likely that the costs to participants of transitioning to the new communication protocols have been under-estimated. We would need more information on the technical specifications of the proposed options in order to estimate the total cost to us.</p> <p>At the Industry presentation in March, Transpower presented protocol information but it appeared that a GENCO equivalent client was not part of the proposal. Mercury tabled at the time the suggestion that Transpower and participants should develop such a client which could then be used by all participants. We see this as an opportunity to reduce total costs as then there is only one development cost not multiple if developed individually. Mercury would be happy to work with other participants and Transpower on this.</p>
5. Do you agree the proposed amendment is preferable to the other option?	Yes.
6. Do you have any comments on the drafting of the proposed Code amendment?	No.
7. Do you have any comments on the drafting of the proposed amendment to the Approved Systems Document?	No.

