

30 May 2023

Sarah Gillies
Chief Executive
Electricity Authority
PO Box 10041
WELLINGTON

By email: fsr@ea.govt.nz

Dear Sarah

Review of common quality requirements in Part 8 of the Code

1. This is a submission from the Major Electricity Users' Group (MEUG) on the Electricity Authority's (the Authority) Issues Paper "*Future Security and Resilience – Review of common quality requirements in Part 8 of the Code*"¹ published for consultation on 4 April 2023.
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Members may lodge separate submissions.

High-level comments on issues paper

3. MEUG welcomes the exploration of the common quality issues that the electricity sector is likely to face as we transition towards a system with greater use of inverter-based resources such as wind generation and solar photovoltaic. We focus our comments on three overarching areas:
 - a. **Workstream is a priority for the sector.** It is clear from our review of the issues paper that there are several technical issues that the sector must address as we both increase the level of wind and solar electricity generation and reduce the role of thermal generation in the electricity system. We encourage this workstream to continue to be progressed as a priority for the Authority and note that it will require coordinated input from many stakeholders to ensure we find the best solutions.
 - b. **Need to understand the level of information available on connecting assets before looking at options to intervene.** The paper notes that electricity distribution businesses (EDBs) do not have sufficient information on assets connected to or wanting to connect to their networks.² To progress this issue,

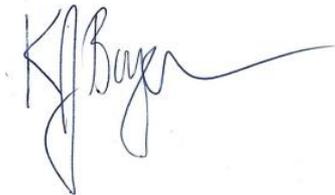
¹ <https://www.ea.govt.nz/projects/all/future-security-and-resilience/consultation/part-8-common-quality-requirements/>

² Issues 6, pages 41 – 47, Issues paper.

it would be helpful to understand the varying levels of information requested / given across the different networks. For example, is there a particular area of considerable variation, are the differences in approach leading to actual issues for the sector and would consistency across EDBs provide tangible benefits (for all parties). This type of analysis would be useful to feed into the Options Paper, which is anticipated in 2024.

- c. **Role of demand-side flexibility on networks.** The paper notes that “electricity demand-side behaviour is relatively passive and predictable”.³ However, this is predicted to increase in coming years, and may subsequently impact on the ability of networks operators to manage their networks efficiently. We agree that it is important that both Transpower and EDBs have clear visibility of the demand-response potential on the network. We encourage the Authority to look at how demand side response can be robustly incorporated into the system, where it is beneficial for both the system and the demand participant.
4. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



Karen Boyes
Major Electricity Users' Group

³ Paragraph 6.21, page 45, Issues paper.