



Electricity Authority
PO Box 10041
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13 October 2023

Dispatch Notification enhancement and clarifications – Cross submission.

This short cross submission supports the views echoed by other flexibility providers – Octopus Energy and Enel X, as well as supporting Transpower’s view that accuracy in nodal system modelling should not be sacrificed to simplify participation in demand side bidding.

Incentives

We would support any work program that increased the incentives and mitigated the risks for participants in demand bidding mechanisms.

Enel X highlight that there is complexity and risk associated with participating in the existing demand bidding mechanisms. We support this high-level view and emphasize that following 5-minute dispatch will remain as a barrier for many businesses for a range of reasons.

Octopus do not believe the existing design, or changes, encourage uptake of the Dispatch Notifications. Highlighting that for many, the benefits of being a participant are unlikely to be materially greater than being a price taker. This is exactly where Simply Energy have landed. The investment in both our systems, and our customers, to accurately forecast load requirement and follow dispatch are likely to exceed any marginal benefit gained in shifting from being a (dynamically managed) price taker to being an active participant in setting the price.

Enduring System Accuracy

We support the points raised by Transpower in their submission. Any proposed changes to Dispatch Notifications, should be designed such that they are expected to be enduring at the time of making the change. This will ensure that development costs for both Transpower and participants are kept to a minimum. In addition, maintaining the accuracy in system modelling must be the paramount concern as this impacts all market participants, regardless of whether they choose to participate in Dispatch Notifications.

When managing aggregated distributed energy assets (DER), we do note there can be issues accurately following a dispatch at a granular level. As such, we would support any changes that maintained bidding at a GXP level to preserve the accuracy of the nodal PRSS, but allowed participants to manage dispatch at a more aggregated level – such as Island, region or balancing area, with the goal of not impacting accuracy materially.

Yours Sincerely,

Andy Sibley
Chief Executive Officer
Simply Energy