

Appendix C: Format for submissions

Submitter	
Questions	Comments
<p>Q1: Do you agree with the principle that the winter capacity margin should be based on the trade-off between the cost of the hours of reserve or energy shortfall and the cost of the peaking generation needed to mitigate it? Do you have any other suggestions on factors the Authority should consider and why?</p>	
<p>Q2: Do you agree with our assessment of the incentives for demand response? If not, what is your view? Are there other criteria that the Authority should consider?</p>	
<p>Q3: Other than financial incentives, what are the other barriers to entry for demand response participation in the wholesale market that you have identified?</p>	
<p>Q4: Do you agree that the Authority should focus its resources on identifying and lowering barriers for BESS and demand side flexibility to participate in the wholesale and ancillary</p>	

services markets? If so, where do you think the Authority should focus first?	
Q5: Do you agree that any solutions should satisfy these principles? If not, what is your view and why? Are there other principles that the Authority should consider?	
Q6: Do you agree that a standard product for financial 'super peak' hedges is required?	
Q7: What factors do you think we should consider in the design of such a product?	
Q8: Do you agree with our assessment of the risk for the medium to long term?	
Q9: Do you think it would be beneficial to create a new integrated standby ancillary service? What is your view and why?	
Q10: How should the costs for a standby ancillary service be allocated?	
Q11: How should the residual requirement be set? Should it be an operational setting or dynamically calculated? If it is dynamically	

<p>calculated, what factors should be considered in the calculation?</p>	
<p>Q12: How should deficit (scarcity) standby residual be priced in relation to scarcity energy and scarcity reserve prices?</p>	
<p>Q13: Do you agree with our assessment of the issues associated with procuring additional resource out of market? If not, what is your view and why?</p>	
<p>Q14: Do you think it would be beneficial to create an out-of-market tender for emergency demand response? If not, what is your view and why?</p>	
<p>Q15: Do you think it would be beneficial to provide payments to resource providers for any uncleared generation and/or dispatchable demand? If not, what is your view and why?</p>	
<p>Q16: What do you consider to be an appropriate scaling factor to determine the price for residual and why?</p>	
<p>Q17: What is your view on the factors the Authority should consider when valuing</p>	

<p>the costs associated with a standby ancillary service?</p>	
<p>Q18: What other options should be considered to better manage residual supply risk for winter 2024?</p>	
<p>Q19: Do you have information on any other international standby ancillary services and their positive impacts? If yes, please share your information.</p>	

AEMO	Australian Energy Market Operator
ASX	Australian Stock Exchange
AU\$	Australian dollars
Authority	Electricity Authority Te Mana Hiko
BESS	Battery Energy Storage Systems
Act	Electricity Industry Act 2010
CAN	Customer Advice Notice
Code	Electricity Industry Participation Code 2010
DDA	Default Distributor Agreement
DER	Distributed Energy Resources
DFS	Demand flexibility service
DR	Demand response
ECRS	ERCOT Contingency Reserve Service
EMA	Energy Market Authority (Singapore)
ERCOT	Electricity Reliability Council of Texas
ERC	Electricity risk curve
ERS	Emergency Response Service
ESO	Electricity system operator (UK)
FCAS	Frequency control ancillary service
GBP	British Pounds
GEN	Grid Emergency Notice
IL	Interruptible Load
KS-9	Kupe gas operation
MDAG	Market Development Advisory Group
MW	Megawatt

NEM	National Electricity Market (Australia)
NPS	Network Service Providers
Regulations	Electricity Industry (Enforcement) Regulations 2010
RERT	Reliability, Emergency Reserve Trader
S\$	Singapore dollars
SCADA	Supervisory Control and Data Acquisition
SPD	Scheduling, Pricing and Dispatch
SSAD	Security Standard Assumptions Document
TCC	Taranaki Combined Cycle Power Station
TJ	Terajoule
US\$	U.S. dollars
VoLL	Value of lost load
WDR	Wholesale Demand Response
WRN	Warning Notice
\$/kWh	Dollars per kilowatt hour
\$/MWh	Dollars per Megawatt hour