

ACTION LIST

The following are the current SRC actions for completion.

Action	Date for completion	Status
Secretariat to arrange for members to receive Market Brief updates from the Authority	June-23	Complete. Members should receive these weekly, or as published by the Authority
Nanette Moreau Hammond to work with secretariat on a draft submission on the tree regulations review	Apr-23	Complete. The Authority Board passed on the SRC's feedback, as a letter from the Authority. A copy of the letter is included in the correspondence for this meeting.
The secretariat to invite Te Waihanga, the New Zealand Infrastructure Commission, to update on infrastructure implications of Cyclone Gabrielle and extreme events	Jun-23	Complete. Te Waihanga will present at this meeting
The secretariat to provide regular updates to the SRC regarding the status of the Hazards from Trees Regulations	Ongoing	In progress. The secretariat proposes inviting MBIE to the August meeting, to update on its work and inform the SRC's strategy session.

1. Updates

This section provides information on matters that do not warrant a dedicated agenda item, such as articles relevant to the meeting's theme, updates on recent matters relevant to security and reliability that have previously been discussed by the SRC or published by the Authority.

For some of the articles, the secretariat has noted some key points members may wish to focus on.

1.1 System operator security of supply updates

- 1.1.1 Please use this link to access the latest security of supply information from the system operator: <https://www.transpower.co.nz/system-operator/about-system-operator/security-supply-and-capacity>
- 1.1.2 If members have concerns, or require further information, about the system operator security of supply updates, they can raise these with the secretariat.

1.2 System operator weekly market movements

- 1.2.1 Link to Transpower's [Market Operations Weekly Report | Transpower](#).
- 1.2.2 In this report the system operator provides an overview and update on security of supply (energy and capacity), generation breakdown and risk curves, amongst other information.
- 1.2.3 The secretariat recommends members sign up to receive these regularly via email and note any security or reliability risk patterns or trends, for further discussion.

1.3 New Zealand Generation Balance - NZGB

- 1.3.1 To review the latest NZGB, please use the following link: [Customer Portal - NZGB \(transpower.co.nz\)](https://transpower.co.nz). Note, Transpower has migrated the hosting of this site, from its previous location.
- 1.3.2 At members' request, the secretariat is no longer preparing a paper on this topic but will provide a link to the latest review in this section in the papers for each SRC meeting. The information presented here is to provide members with the latest published version.
- 1.3.3 If members have questions or need further information, they are welcome to raise this with the secretariat. If members have security and reliability concerns, it would be appropriate to raise these during item #7 (the risk radar).

1.4 System operator performance

- 1.4.1 The SRC has a specific mandate to consider performance of the system operator.
- 1.4.2 As noted in recent media coverage, the Authority has released the independent [Rulings Panel decision](#), confirming Transpower breached the Code in its actions around 9 August 2021.
- 1.4.3 The Authority has also published the report on [its website](#).
- 1.4.4 The system operator is attending this meeting to introduce and discuss its annual security of supply assessment (SOSA).

1.5 Winter 2023

- 1.5.1 The Authority is preparing for winter 2023 and the potentially challenging situations that may lead to strains in New Zealand's electricity system. In 2022 the Authority consulted on 11 options to better manage risks to electricity supply during peak demand periods.
- 1.5.2 Four initiatives to support managing peak winter electricity demand have been implemented:
 - a) Option A: *provide better information on headroom in the supply stack* (published via WITS)
 - b) Option B: *provide forecast spot prices under demand sensitivity cases* (published via WITS)
 - c) Option D: *system operator review of wind offers based on external forecast* (published via EM6)
 - d) Option E: *Clarify availability and use of 'discretionary demand' control*.
- 1.5.3 A fifth option, option G: *selectively increase existing ancillary service cover at times to offset increased uncertainty in net demand*, has not been progressed further on recommendation of the system operator.
- 1.5.4 An industry training session has been held to clarify the participant obligations and intended market outcomes of Option E and this was re-enforced at the system operator annual industry exercise on 24 May.

- 1.5.5 Option A will continue beyond winter 2023 as a permanent addition to the published electricity market information
- 1.5.6 Option D will be discontinued at the end of Winter 2023 but may be re-implemented as a part of the Authority's 'improving intermittent generation forecasts' policy work due for consultation in June 2023.
- 1.5.7 The Authority will review the implementation of options B and E and assess whether the benefits and further implementation costs justify making them permanent additions to the market.
- 1.5.8 For additional information and context, if needed, [this link](#) is to the Authority website for this project.

1.6 Scheduled generation outages

- 1.6.1 As part of its work monitoring scheduled outages, the Authority is publishing a new report via its Electricity Management Information (EMI) portal – [Scheduled Generation Outages](#).

1.7 Changes to the Security of Supply Forecasting and Information Policy (SOSFIP):

- 1.7.1 The SOSFIP plays a key role in the set of Code provisions, contracts and other arrangements that collectively deliver common quality, power system stability and security, and orderly system operation.
- 1.7.2 The proposed changes the Authority has agreed to arose from the MartinJenkins report into the 2021 dry year event.
- 1.7.3 As noted in the Authority's 18 April decision paper¹, the system operator proposed updates to the SOSFIP to reduce uncertainty and subjectivity, in particular:
 - a) potential updates in assumptions around gas reallocation used to inform the electricity risk curves (ERCs) to better reflect prevailing conditions in the gas and electricity market (three options were included in the consultation)
 - b) reviewing the assumptions used to determine electricity demand response in the ERCs
 - c) clarifying that medium demand forecast be used in determining the ERCs
 - d) simplifying reporting by removing the current watch and alert curves but retaining the percentage risk curves
 - e) encouraging proactive information disclosure to the system operator.
- 1.7.4 The Authority decision paper notes the proposed changes are expected to yield efficiency benefits and increased confidence in the ERCs but are not expected to have a material benefit on reliability or competition.
- 1.7.5 The Authority also completed the triennial review of the amount paid to qualifying consumers during an official conservation campaign (the minimum weekly amount).

¹ [Authority's decision paper](#).

The review saw the minimum weekly amount increase from the previous \$10.50 to \$12.00. This is the first review the minimum weekly amount has increased. The minimum weekly amount is given a passing mention at the bottom of the [Energy News SOSFIP article](#).

- 1.7.6 The new SOSFIP comes into effect on 1 June 2023.
- 1.7.7 On a related point, the Authority has also undertaken a review of thermal fuel information disclosure, as part of its wholesale market review. The review found only a minor amount of thermal fuel information has been disclosed since changes made 18 month ago.
- 1.7.8 The Authority will work with MBIE and the GIC on options to gain a complete picture of thermal fuel availability.
- 1.7.9 Further information on information disclosure is available in the following [Energy News article](#).

Questions for the SRC to consider

The SRC may wish to consider the following questions.

- Q1. What further information, if any, does the SRC wish to have provided to it by the secretariat in the updates section?**
- Q2. Does the SRC have a preference for how information in this paper is presented?**
- Q3. What advice, if any, does the SRC wish to provide to the Authority?**