

15 November 2024

Electricity Authority
Level 7
AON Centre
1 Willis Street Wellington

Via email: forecasting@ea.govt.nz

Manawa Energy's Submission: Review of forecasting provisions for intermittent generators – proposed Code amendments

Introduction

Manawa Energy (**Manawa**) welcomes the opportunity to provide a submission to the Electricity Authority (**Authority**) on its Review of forecasting provisions for intermittent generators – proposed Code amendments (**Consultation Paper**).

Manawa is an independent power producer with a proven track record of investing in local and grid scale renewable generation. Manawa operates a diverse portfolio of 44 power stations across 25 hydro-electric power schemes, supplying around 5% of New Zealand's electricity needs. In addition to this Manawa also supplies around 600 Commercial and Industrial customers with electricity.

Submission

Manawa supports the Authority's decision to put in place a hybrid forecasting arrangement and change the Code to give it effect.

Whilst supportive, it is important to keep in mind that any changes to forecasting arrangements would also involve changes to Manawa's internal systems and processes and therefore incur additional costs – this would also hold true for most other generators. This cost is difficult to estimate for Manawa but there would be both a financial aspect to this cost as well as a compliance burden. This cost will be higher for smaller generators and new entrants who are less likely to have robust systems already in place. Given this cost, Manawa is supportive of requiring the central forecaster to submit offers on generators behalf. However, given this service is likely to be needed by smaller generators, or new entrants, the cost of this service will need to be monitored to ensure it is affordable.

Manawa's support for this initiative is based on the cost estimates for the system provided in the Consultation Paper being realistic. That is, any significant change to these costs would warrant further consultation with industry.

Please see responses to the specific questions in the Consultation Paper in Appendix A below.

If you have any questions regarding the content of this submission, please contact Grace Burtin, Regulatory Manager

Appendix A – Manawa’s response to the Consultation Paper questions

| Questions | Comments |
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| Q1. Do you agree that the proposed Code amendments are necessary to give effect to the Authority’s policy decisions? If not, please explain why. | |
| Q2. Do you agree that intermittent generators will be required to submit their first offer six days before the beginning of the trading period to which the offer relates? What impacts, if any, would this change have on you? | <p>The implications of this change would require Manawa to develop new systems.</p> <p>To ensure compliance with the proposed Code, the only feasible option would be for an automated routine e.g. receiving the forecast could be the trigger to create and submit offers. Hence a first offer of 6 days prior would not be a barrier and would be treated the same as a forecast delivered at any other time frame.</p> <p>A compliant system would require 24/7 monitoring and support, as well as system redundancy. Not all participants would have the capacity or appetite to develop/manage/maintain such system, hence we support the central forecaster to submit offers on generators behalf on a commercial basis. Manawa would consider utilising this option depending on the cost.</p> |
| Q3. Do you agree with the revised decision that all industry participants (i.e., not only generators) should be required to contribute to the costs of the centralised forecast rather than generators only? | Yes, all participants would benefit from improved forecasting and should contribute to the cost. |
| Q4. Do you agree the Authority’s proposed Code amendments complies with section 32(1) of the Act? | |
| Q5. What inputs would intermittent generators need to provide to the centralised forecaster to produce accurate generation forecasts? Would there be issues with intermittent generators providing this information? | If the information requested is available in the intermittent generator control system, there would be no issues with providing this information. However, it’s important to consider that existing intermittent generation sites are of different vintages and may not have the same information available as those built more recently or in the future. Manawa provides offers for couple of wind farms built in the 90’s and early 00’s that won’t have the same information as more recent sites. Manawa would welcome working with the Authority to ensure that existing assets are not going to be adversely affected by information requirements. |

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| Q6. Do you have any comments on the drafting of the proposed Code amendments? | |
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