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Thermal Fuel Information Disclosure under Code 2.16 notice

We welcome the opportunity to submit on the Electricity Authority's (EA) consultation Thermal Fuel Information Disclosure under Code 2.16 notice published 28 January 2025. This submission is from Transpower in its role as system operator.

Disclosure will support security of supply understanding

Disclosure of thermal fuel information is essential for the reliable and efficient operation of the electricity market. We agree timely and systematic provision of information about thermal fuel availability is critical for understanding security of supply risks, the ability of the Authority to undertake its functions and for market participants to make fully informed risk management decisions. It is also critical for the system operator's functions as the designated provider to the electricity industry of information and short- to medium-term forecasting on all aspects of security of supply, and managing supply emergencies.

The other major form of controllable generation with stored "fuel" is hydro generation. Currently hydro generators make some information available on their websites. However, the timeliness and visibility is inconsistent. We consider these participants should be required to provide greater visibility and timely access to daily hydro storage (including snowpack where applicable), hydro inflows and hydro spill information for at least each of the major controlled hydro reservoirs.[1]

The system operator publishes key information for security of supply

The system operator has a key role to play in providing security of supply information. Under the Electricity Industry Act, the system operator is responsible for providing information and short-to-medium term forecasting on all aspects of security of supply.[2] The system operator achieves this through a number of industry publications:

[1] Controlled reservoirs are Taupo, Tekapo, Pukaki, Hawea, Manapouri and Te Anau.
[2] Electricity Industry Act 2010 clause 8.

- Annual Security of Supply Assessment (SOSA) which provides a 10-year look ahead of energy and capacity margins compared to the security standards set by the Electricity Authority in the Code. We are preparing the 2025 SOSA, which will be published in June.

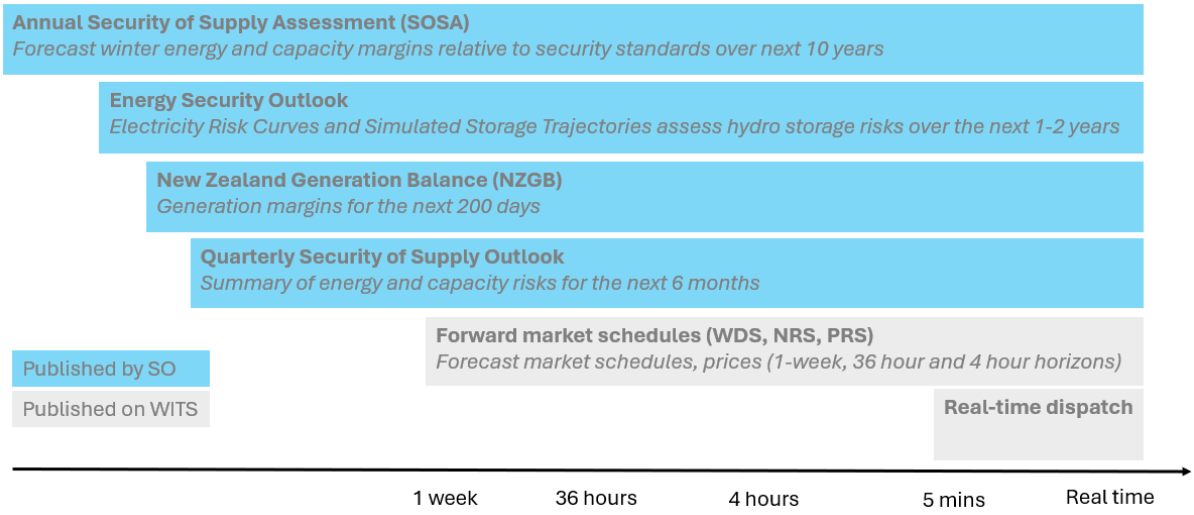
- Energy Security Outlook which comprises the Electricity Risk Curves (ERCs) and Simulated Storage Trajectories (SSTs). These provide a view of the energy risks on the system over the next 12-24 months and forecast the risk of running out of hydro storage even if the market is acting to conserve hydro as much as possible. An Energy Security Outlook is published monthly, and more often at times of heightened energy risk.

- New Zealand Generation Balance (NZGB) which provides a 200 - day view of the risks in supplying peak load periods considering the availability of plant (via outages and market conditions). NZGB is updated daily and available to participants through our Customer Portal.

- Quarterly Security of Supply Outlook which uses the latest Energy Security Outlook and NZGB analysis, together with information about new generation capacity, demand forecasts and weather to provide an overview of the energy and capacity picture for the coming 6 months. Our most recent quarterly outlook was published in early February 2025.

- **Market schedules** published on WITS from 1 week before and up-to real-time which show capacity risks via the residual and wholesale prices. Under low potential, low residual or shortfall situations, the system operator publishes market notices via CANs, WRNs and GENs on its website to inform market participants of the risks and actions it can take to reduce this risk.

Figure 1 System operator publications for security of supply



The transition is changing electricity system risks

While the system operator has a critical security of supply role and receives some confidential information for this purpose, the risks we are facing are changing as the

electricity system is transitioning. Currently, the Code does not provide for us to require participants to provide to us (confidentially) the information we need to evolve our security of supply information and forecasting to respond to these changing risks. As a result, we are working with the Authority to improve our information gathering powers.

With the Authority also making this information available in the public domain, it will allow us to compare against information provided directly to the system operator, understand potential differences and also allow participants to better understand the drivers behind our risk assessments.

Given the heightened energy risks signalled in our latest quarterly Security of Supply Outlook, the declining hydro storage position particularly in key South Island catchments, and the need to secure sufficient thermal fuel capability early for winter, improved access to thermal and hydro fuel data will support all participants to better understand and mitigate security of supply risk.

Yours sincerely

Rebecca Osborne
Head of Market Services

Appendix A- Response to Questions

Submitter	**Transpower**

Questions	**Comments**
Q1. Do you agree the issues identified by the Authority are worthy of attention?	Yes. Improving transparency of thermal information is an important part of managing security of supply.
Q2. Are there any other areas that the Authority should consider to ensure that all information relevant to the supply and demand outlook (including risks) is up to date, comprehensive, collated and presented in an integrated manner readily accessible to all stakeholders?	Yes. Access to free and downloadable hydro information, updated at least daily, for each of the key hydro catchments would improve transparency of information. This would include snowpack data. Current access to operational hydro information is costly which could be a barrier to some market participants and a barrier to entry for potential new participants. We note the Authority does make aggregate hydro storage information available on its emi website but this is only available at an aggregate level (not by reservoir) and is not downloadable for further analysis by market participants.The emi website provides historical inflows and storage data currently up to 2023 and only updated annually.
Q3. Are there any other relevant information disclosure arrangements that the Authority should consider?	Yes. As noted above, we think there could be improved consistency and accessibility of hydro data as well from generators, such as daily storage, inflows, spill across each of the larger reservoirs (and at least each of the controlled reservoirs which include Taupo, Tekapo, Pukaki, Hawea, Manapouri and Te Anau), updated at least daily. The current subscription-only access to up-to-date data is a barrier to efficient market operation and risk management.
Q4. Do you agree with the Authority's assessment of the problem with disclosures about thermal fuel availability?	Yes. See comments about hydro data as well. The system operator currently has limited information gathering powers to evolve its security of supply information function. The system operator is working with the Authority to extend the SO information-gathering powers.
Solid Fuels	

Questions	Comments
Q5. Do you have any comments on the provision of solid fuel information?	We agree that more frequent reporting and publication of solid fuel information is needed to improve this transparency in the market.
Q6. Do you consider that any of the information proposed to be collected on solid fuel is confidential, and if so, why?	No comment.
Q7. Is there any other information related to solid fuel the Authority should consider collecting?	Maximum thermal fuel capability (maximum monthly rates of import).
Gas storage	
Q8. Do you have any comments on the provision of gas storage information?	We agree on improving the provision of gas information. We presume these would extend to any future gas storage facilities.
Q9. Do you consider that any of the information relating to gas storage is confidential, and if so, why?	No comment.
Q10. Is there any other information related to gas storage that the Authority should consider collecting?	No comment.
Contracted gas information	
Q11. Do you have any comments on the provision of contracted thermal fuels information?	We agree on the provision of contracted gas information.
Q12. Do you consider that any of the information proposed to be collected on contracted gas supply is confidential, and if so, why?	No comment.
Q13. Is there any other information related to contracted gas information the Authority should consider collecting?	No comment.
Gas transaction information	
Q14. Do you support the provision of gas transactions information? If not, why not?	Yes.
Q15. What impacts would monthly reporting of transaction information have on your organisation?	No comment.

Questions	Comments
Q16. Would you support the provision of weekly summary data instead of daily data? If so, why?	No comment.
Q17. Do you consider that any of the information proposed to be collected on gas transactions is confidential, and if so, why?	No comment.
Q18. Is there any other information the Authority should consider collecting?	No comment.
Diesel	
Q19. Do you support the provision of diesel information? If not, why not?	Yes.
Q20. Do you consider that any of the information relating to diesel is confidential, and if so, why?	No comment.
Q21. Is there any other information the Authority should consider collecting?	Maximum deliverability constraints.
Reporting of information to the Authority	
Q22. What impact would the proposed frequency of data collection have on your organisation?	No comment.
Publication of information	
Q23. Do you support the publication of information as proposed above? If not, why not?	Yes.
Q24. Is there any other information, covered by the proposed notice, that the Authority should consider publishing?	Deliverability and import constraints. Future contracted coal and diesel volumes could also be considered. The benefits of publishing these need to be balanced against the costs/risks of not. Also noting participants have started announcing contracted coal and gas volumes, which could be standardised.
Benefits, costs and alternatives	
Q25. What benefits do you anticipate for your organisation by having access to this information?	This information is critical for the system operator's functions as the designated provider to the electricity industry of information and short- to medium- term forecasting on all aspects of security of supply, and managing supply emergencies.

Questions	Comments
Q26. Do you agree with the articulation of benefits and costs as articulated by the Authority? If not, why not?	Yes.
Q27. Do you agree the proposed clause 2.16 notices are preferable to the options identified above (or potential alternatives)? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of Act.	Yes.