

Meeting Date: 23 May 2024

PURPOSE AND SCOPE OF NEXT
MEETING'S SUBSTANTIVE PAPERS

SECURITY
AND
RELIABILITY
COUNCIL

Note: This paper has been prepared for the purpose of the Security and Reliability Council. Content should not be interpreted as representing the views or policy of the Electricity Authority.

1 Purpose and scope of next meeting's substantive papers

1.1 This is the SRC's opportunity to provide verbal guidance for next meeting's substantive papers

- 1.1.1 The purpose of this paper is to allow the SRC to provide expectations for the following meeting's substantive papers and agenda items and improve the efficiency and effectiveness of the secretariat's preparation. If there is any particular context or SRC concerns/questions, these would be valuable to share with the secretariat.
- 1.1.2 The secretariat's suggestions for the SRC's Q3 2024 meeting, incorporating previous member input from previous discussions, are set out below for consideration and refinement at this (May) meeting.

1.2 Annual SRC risk and strategy session

- 1.2.1 A major component of the SRC's August meeting agenda is the annual risk and strategy session. This usually takes place in the morning, effectively giving two, possibly three, available hours in the afternoon for the SRC to include other items that may or may not be thematically linked.
- 1.2.2 Guiding the approach for this year's strategy session is the Authority's desire for increased cut-through and influence from its advisory groups, providing a more 'sounding board' mechanism for Authority work, and stronger alignment between the SRC's work programme and the Authority's broader strategic aims.
- 1.2.3 Further guidance for the strategy session is likely to come from the SRC's annual meeting with the Authority Board on 20 August, ahead of the 21 August SRC meeting. That annual meeting is an opportunity for the Board and SRC to discuss priorities, approaches and urgent issues.
- 1.2.4 Authority staff recently indicated to the SRC Chair, an intention to seek the SRC's input on a draft security of supply roadmap currently being developed for presentation to the Authority Board later this year. If the draft roadmap is available in time, the secretariat considers it will form the framework for the risk and strategy session and provide a timely opportunity for the SRC to directly influence the Authority's strategic approach.
- 1.2.5 To maximise the input from individual SRC members at the strategy session, it is proposed to change the approach of recent strategy sessions and not have an external facilitator this year. While the Chair and secretariat have seen significant value from facilitators in recent years, having a draft security of supply roadmap to consider and have open discussion about presents an opportunity to try a different approach this year and capture learnings from it for future sessions.
- 1.2.6 If the SRC choose *policy systems and processes*, as an aligned theme to the strategy session (see paragraph 1.5 below) there may be scope for presentations from key Authority staff, for example from the Communications, Monitoring and Compliance teams, to inform the SRC's advice on potential areas of focus.

- 1.2.7 Members are asked to bring other ideas for the risk and strategy session to the May meeting, for discussion at items #12 and #13 of the agenda.

1.3 Annual system operator security of supply assessment

- 1.3.1 The annual security of supply assessment (SOSA) is Transpower's (as system operator) annual medium-term security of supply assessment. It provides a ten-year view of the balance between supply and demand in the New Zealand electricity system.
- 1.3.2 Transpower are currently consulting on a draft of this year's assessment. As noted in the Actions and Updates paper (item #6) for this meeting, the final SOSA will not be available in time for the SRC's May meeting, so the secretariat proposes to include it in the August agenda for consideration.
- 1.3.3 Links to the draft consultation version are included in the Actions and Updates paper, to enable SRC members the opportunity to review and discuss during item #7 (risk radar) and potentially include urgent issues in its May meeting letter of advice.
- 1.3.4 The secretariat considers the purpose of this paper is to:
- a) guide the SRC on the relevant and essential reading parts of the system operator's SOSA
 - b) Outline the assessment framework, including the security standards
- 1.3.5 The secretariat will invite the system operator to the August meeting to present on this year's assessment and be available for questions.
- 1.3.6 Advice from the SRC's review can be incorporated into the system operator's planning for future versions of the assessment.

1.4 Public Safety Supply Disruption

- 1.4.1 Management of the power system in weather events, including fire, earthquakes (for example, the Northland and Port Hills fires).
- 1.4.2 Presentations could be sought from the grid owner, Electricity Networks Aotearoa (ENA) and 2-3 distributors (ideally covering large/small, urban/rural, and potentially different ownership structures), FENZ, NEMA, Commerce Commission oversight.
- 1.4.3 Islanding networks – the extent to which batteries, EVs and V2G power flows can support resilience in contingent events
- 1.4.4 Lessons from Australia – AEMO, AER, case studies
- 1.4.5 This topic was also included in the proposed themes for the May meeting but was postponed when the Minister and MBIE accepted the SRC's invitation to present on the new government's approach for the sector.

1.5 Policy systems and processes

- 1.5.1 Members expressed an interest in hearing about how the system manages to recover from capacity shortfalls. In the light of this feedback, the secretariat considered it may be the right time to provide a meeting's (or half meeting's) content on policies and systems in place.

- 1.5.2 This would provide members with updates on relevant Authority and system operator workstreams, as examples of how the processes work in practice. Presentations can also be used as a future resource for members to build on the material covered in member induction sessions.
- 1.5.3 Topics within the theme, for further refinement, could include:
- a) Policies
 - b) Business as usual information and reporting
 - c) Forecasting work – NZGB etc
 - d) How forecast tight situations are managed - CAN notices etc
 - e) Security of supply forecasting and information policy (SOSFIP)
 - f) The approach and content for industry exercises
- 1.5.4 This topic was proposed for the May meeting but postponed.

1.6 Additional items

- 1.6.1 The secretariat has included other potential topics, based on member suggestions, in the forward work programme paper (item #13).
- 1.6.2 In the secretariat's view those items may not warrant a theme but could be included, as part of a broader topic for the SRC's Q3 (August) meeting. Members are asked to review that paper and bring along additional suggestions and ideas for discussion during agenda item #12 and #13).

2 Questions for the SRC to consider

- 2.1.1 The SRC may wish to consider the following questions:

- Q1. Does the SRC have any other suggested topics/papers for the Q3 2024 meeting, aligned with, or as a counterpoint to, the above items?**
- Q2. Does the SRC have further guidance for the secretariat about how it would like to receive information about the themes for upcoming meetings?**