

28 August 2025

Energy Competition Taskforce  
c/o Electricity Authority  
By email: [taskforce@ea.govt.nz](mailto:taskforce@ea.govt.nz)

Tēnā koe,

## **An emergency reserve scheme to assist with security of supply**

An emergency reserve scheme (ERS) is one option to assist Transpower with managing security of supply. In principle, Powerco supports<sup>1</sup> additional mechanisms to assist with security of supply, including the intent of an ERS. Delivering a least-cost and secure transition will require a range of mechanisms including efficient participation from all forms of demand and supply flexibility.

Powerco does not have comments on the proposed market design of an ERS. The consultation paper notes an approach for coordination with distributors has not yet been considered. We have an interest in our role in the implementation of the scheme and make the following observations for consideration as the Electricity Authority (Authority) develops the Code amendment:

### **Coordination will be required**

- Mechanisms for coordination between the System Operator, ERS providers, and EDBs will need to be clearly defined, particularly how the reconnection of ERS loads within our distribution network is coordinated
- Sudden changes in load, during activation and restoration, could have operational impacts and need to be managed in a way that maintains network stability and safety.

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### **Improved data visibility across mechanisms**

- We encourage the Authority to consider how real-time data visibility across a new ERS, Interruptible Load, and other emergency response mechanisms could be improved
- Enhanced visibility would support better operational decision-making and help avoid unintended interactions between schemes, including during high-stress system events.

Engagement with EDBs in development of the Code amendment is recommended to ensure implementation is appropriate and workable. If you have any questions or would like to talk further on the points we have raised, please contact Irene Clarke [REDACTED].

Nāku noa, nā,



**Emma Wilson**

Head of Policy, Regulation and Markets  
**POWERCO**

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<sup>1</sup> Powerco's submission on the Authority's proposals for industrial flexibility commented on ERS and the principle that such mechanisms should be available for all flexibility options, [Powerco Submission, Rewarding industrial flexibility, EA 1 July 2025](#)