Appendix C Format for submissions

Establishing an Emergency Reserve Scheme

Submitter	SEANZ – Gareth Williams, Manager Innovation Pathways

Questions	Comments
Q1. Do you agree with our rationale for establishing an ERS? Why/why not?	Agree. Having a reserve capacity to reduce demand in critical situations is prudent.
Q2. Are there other factors or risks you consider relevant to our decision to implement an ERS?	No
Q3. Do you agree with our proposal that only demand-side flexibility, including by industrials and aggregations of smaller consumers, should be eligible to provide ERS?	Disagree. Aggregated household and commercial batteries would also be useful. While premise batteries are typically being used to offset home load during peak periods, there is additional capacity to discharge beyond offsetting home load (i.e. average home load in peak is around 2 to 2.5kW, but batteries may be able to export at 5kW). SEANZ estimates that there are around 20,000 residential batteries in NZ (the current EMI data showing under 10,000 batteries cannot be correct given SolarZero had 14500 batteries themselves). There is therefore a potential resource of 50MW (and growing)
Q4. Are you aware of any off-market generation or batteries that may not be activated in an emergency if they are not included in an ERS? Please provide details of the type and scale of these resources.	As above – batteries are normally used to only offset premise and have additional capacity load. To be used effectively, this resource would need to be managed by aggregator(s) and submitted as a single resource (or multiple resources if multiple aggregators)
Q5. Do you agree with our proposed design elements for procurement of ERS by the System Operator, including the procurement process, timing and trigger?	Yes

Q6. Do you consider that procurement up to 4 weeks in advance of an identified need, coupled with a pre-approved panel of providers, will be effective and provide adequate time for potential providers and the System Operator?	Yes
Q7. Do you agree with our proposed pre-activation and activation processes for use of ERS?	Yes
Q8. Do you agree that the System Operator should be required to update relevant planning processes to take account of forecast uncertainty? If so, how do you consider this should be done?	No view
Q9. Do you agree with our proposed compensation and price settings for the ERS, including proposed measures to ensure overall unit costs do not exceed VoLL?	Yes, that is logical
Q10. Do you consider that the System Operator should also be required to ensure overall costs during an ERS activation are less than VoLL? If so, how do you consider this could be practically achieved in the available time?	No view
Q11. Do you agree with our proposal to 'add back' activated ERS into nodal load	No view

schedules to maintain scarcity pricing?	
Q12. Do you agree with our proposed settings for cost allocation and settlement of ERS costs? Do you consider an alternative cost recovery approach would be preferable and if so why?	No view
Q13. Do you agree with our proposed settings to manage non-performance by ERS providers?	Yes these seem reasonable. Agree that penalties would dissuade potential participants
Q14. Do you agree with our proposed information and publication settings to enable the effective operation and monitoring of the ERS? Is there additional information you consider should be made available to potential providers, the Authority, other industry participants or the public?	Seems reasonable
Q15. Are there other scheme design elements that the Authority should consider?	No view
Q16. Do you agree with our high-level evaluation of the proposed ERS against our guiding principles?	Yes
Q17. Is there any additional information the Authority should consider in evaluating a proposed ERS design?	The method of measuring response will need to be defined. For premise batteries for example, response cannot be measured by normal metering since changes to premise load and / or impacts of solar generation for hybrid systems would not be captured. In this case battery discharge information from inverters would be needed and would need to be accepted as a suitable measurement,

Q18. Do you think there are any elements of the proposed scheme design which require more time for implementation and should be delayed beyond Winter 2026? If so, please identify the relevant elements and indicate when you consider they could be implemented.	No view
Q19. Do you agree with the Authority's proposal to set VoLL at $35,305 per MWh for the purposes of the ERS, and proposal to review VoLL and security standards more broadly?	This seems reasonable.
Q20. Are you likely to be interested in participating in an ERS, such as the scheme outlined in this paper?	Potentially, if distributed batteries are included
Q21. Are there any other implementation considerations or related issues the Authority should consider in relation to an ERS?	No view
Q22. Are there other matters that the Authority should consider in relation to an ERS?	No view