Updates to the System Operator's information gathering powers

Decision paper

30 October 2025

ELECTRICITY AUTHORITY
TE MANA HIKO

Executive summary

The Electricity Authority Te Mana Hiko (Authority) has decided to amend the Electricity Industry Participation Code 2010 (Code) to increase the System Operator's information gathering powers, particularly for thermal fuel information. This decision will make permanent the changes to the Code made by the *Electricity Industry Participation Code Amendment (Provision of Information to System Operator) 2025* (urgent Code amendment).[1] This was an urgent Code amendment implemented in March 2025 that otherwise expires on 14 December 2025.

Thermal fuel availability is critical to forecasting and managing security of supply

While hydro generation is the largest source of electricity in New Zealand, effective security of supply management requires balancing all fuel sources (particularly natural gas and coal). The availability of thermal generation capacity, and the fuel to supply this capacity, directly impacts how generators manage hydro storage, electricity risk curves, and overall system security. This is especially true in periods where demand is high relative to available generation (such as a dry year).

The urgent Code amendment was made after winter 2024, which saw high prices and fuel shortages. These were caused by low hydro storage, limited wind generation and uncertain gas availability, combined with high demand. These conditions highlighted the need for improved transparency and data access to ensure adequate monitoring of security of supply.

Enhancing the System Operator's information gathering powers will benefit consumers

After considering submissions on our proposal,[2] we have decided to make the Code amendment to the System Operator's information gathering powers as consulted on.

This decision ensures the System Operator can continue to meet its statutory obligations for security of supply forecasting under the Electricity Industry Act 2010. The amendment strengthens the System Operator's ability to gather timely and accurate thermal fuel data, which is important to:

- help market participants more effectively manage risk
- contribute to lower prices
- contribute to a more secure electricity supply for consumers.

Enabling the System Operator to produce Electricity Risk Curves and Simulated Storage Trajectories that better reflect available thermal fuel supply risk will improve visibility of potential security of supply risks. This allows market participants to respond appropriately and in a coordinated way. Continued improvements in data sharing, timely infrastructure investment and contingency planning will support a more resilient electricity system.

[1] Certified Code amendment.pdf

[2] Review of urgent Code amendment to System Operator's information gathering powers | Our consultations | Our projects | Electricity Authority

We are focused on supporting security of supply for 2026 and beyond

This decision is part of a broader set of initiatives to support security of supply. These include:

- the Authority's review of the security of supply standards and the accompanying Security Standards Assumptions Document (SSAD)
- the Authority's continued monitoring of thermal fuel availability to promote improved market information[3]
- the Authority's proposed emergency reserve scheme[4]
- supporting the System Operator's review of its security of supply forecasting and information policy (SOSFIP), with changes expected to be in place for winter 2026.[5]

The Code amendment enables the System Operator to require participants to provide information relevant to its implementation of and compliance with the SOSFIP (and emergency management policy). As part of its SOSFIP review, the System Operator is proposing to introduce an additional ERC and SST scenario using contracted fuel information in the Energy Security Outlook. This aims to improve understanding of forward energy risks and help participants make informed decisions. The amendment supports this by allowing the System Operator to collect the necessary data to produce accurate risk forecasts.

Together, these initiatives reflect a coordinated effort to support security of supply and better prepare the electricity market for future challenges.

The Government has recently announced that it will change the way the System Operator does its security of supply assessments, including to make them more adaptable to evolving information about declining gas supplies. While details are yet to emerge, the Authority expects that this change supports our decision on this Code change.

Next steps

The Code amendment will come into force on 1 December 2025.

[3] On 1 April 2025, a thermal fuel data notice was published under clause 2.16 of the Code: Clause_2.16_notice_-Thermal_fuel_disclosure.pdf

[4] Establishing an Emergency Reserve Scheme | Our consultations | Our projects | Electricity Authority

[5] Invitation to Comment: Security of Supply Forecasting and Information Policy (SOSFIP) Review Issues Paper 2025 (Closed) | Transpower

Contents

1. Purpose of this decision paper

1.1. This paper:

(a) summarises feedback received on the consultation paper: *Review of urgent Code amendment to the System Operator's information gathering powers*

(b) explains the reasons for the Authority's decision to make the urgent Code amendment changes permanent

(c) sets out the final Code amendments.

2. The Authority has decided to permanently increase the System Operator's information gathering powers

2.1. We have decided to go ahead with our proposal to make permanent the changes made by the urgent Code amendment to the System Operator's information gathering powers.

2.2. This change expands the System Operator's information gathering powers in clause 9.18 for its security of supply responsibilities. These powers now include the security of supply and forecasting and information policy (SOSFIP)[6] and emergency management policy (EMP).[7]

2.3. The amendment ensures that all relevant security of supply data is gathered under a consistent and enforceable framework for the System Operator to meet its statutory obligations. Making the amendment permanent ensures continued access to this critical information.

2.4. The Code amendment:

(a) supports better risk management for market participants

(b) contributes to lower electricity prices

(c) helps ensure a more secure supply for consumers.

2.5. We have set out our response to feedback from submitters in section 4.

3. Context for our decision

The urgent Code amendment supported security of supply for winter 2025

3.1. In December 2024, the System Operator requested a Code amendment to increase its information gathering powers.

3.2. In response to the System Operator's request, the Authority made the urgent Code amendment on 14 March 2025. We considered this amendment warranted being made under urgency to ensure that the System Operator had access to the information it needed to effectively report on the supply risks for winter 2025.

3.3. The need for access to this information was highlighted in winter 2024, when limited thermal fuel supply significantly affected hydro generation and system security.

[6] SOSFIP.pdf

[7] Emergency Management Policy.pdf

Spot electricity prices spiked between July and early August, reaching their highest sustained level in 20 years. This was driven by low hydro storage, reduced gas supply and weak wind generation. As gas production continued to decline, the system relied more on coal and diesel. However, the coal stockpile also dropped significantly during August 2024.

3.4. Although conditions improved later, the event showed how quickly supply risks can escalate and highlighted the need for accurate, up-to-date information on thermal fuel availability.

3.5. The urgent Code amendment meant that the System Operator had access to the information it needed to effectively report on the security of supply risks for winter 2025. See Box 1 below for more details on the System Operator's responsibilities.

3.6. The urgent Code amendment is valid for nine months and will expire on 14 December 2025.

Box 1: The System Operator's responsibilities: forecasting and managing security of supply

The System Operator is responsible for forecasting the ability of the system to meet demand and managing risks associated with energy shortages.

It publishes two key documents under the Code: the **SOSFIP**, which outlines regular monitoring and long-term supply assessments, and the **EMP**, which details emergency actions during supply shortages.

These documents guide how risks are forecasted and managed. They are incorporated by reference into the Code in accordance with section 64 of the Legislation Act 2010.

The System Operator has used the urgent Code amendment to collect information for monthly electricity risk curve and simulated storage trajectory analysis

3.7. Since March 2025, the System Operator has been using the powers conferred by the urgent Code amendment to regularly collect key fuel and generation data from market participants. This includes:

(a) coal and diesel stockpiles

(b) gas supply and storage details

(c) gas swap arrangements

(d) production forecasts.

3.8. These inputs have enhanced the accuracy of the monthly Electricity Risk Curves (ERCs) and Simulated Storage Trajectories (SSTs) published in the monthly Energy Security Outlooks.[8]

[8] See our consultation paper for more detail on how this new information has been used by the System Operator under the urgent Code amendment: Review of urgent Code amendment to the System Operator's information gathering powers

3.9. The amendment has enabled more frequent and detailed updates, improving the System Operator's ability to assess how close the market is operating to physical system limits. This supports more informed risk assessments and decision-making. While some data was previously used, the amendment has expanded coverage and improved timeliness.

3.10. The System Operator is working to fully integrate all new data into the ERC and SST models. However, the improvements are already contributing to more credible and transparent planning.

3.11. As a part of the System Operator's SOSFIP review,[9] it is proposing to introduce an additional ERC and SST scenario using contracted fuel information into the Energy Security Outlook.[10] This would better support understanding about forward energy risks and ensure participants have the information to make informed decisions. This Code amendment allows the System Operator to collect information to inform that scenario.

Our consultation on making the amendment permanent

3.12. The Authority consulted on the proposal to make the changes introduced by the urgent Code amendment permanent during August and September 2025.

3.13. We sought feedback on whether these greater information gathering powers for the System Operator should be formalised to maintain the improved quality of security of supply reporting. Our proposal aimed to support more accurate forecasting, better risk management, and increased market confidence.

3.14. We have presented the feedback received on the proposal and our response in section 4.

Supporting security of supply for 2026 and beyond

3.15. Our decision to amend the Code to expand the System Operator's information gathering powers is part of a broader set of initiatives to support security of supply. These include:

(a) the Authority's review of the security of supply standards and the accompanying Security Standards Assumptions Document (SSAD)

(b) the Authority's continued monitoring of thermal fuel availability to promote improved market information[11]

(c) the Authority's proposed emergency reserve scheme[12]

(d) supporting the System Operator's review of its SOSFIP, with changes expected to be in place for winter 2026.[13]

[9] Invitation to Comment: Security of Supply Forecasting and Information Policy (SOSFIP) Review Issues Paper 2025 (Closed) | Transpower

[10] Changes to SOSFIP are expected to be in place for winter 2026.

[11] On 1 April 2025, a thermal fuel data notice was published under clause 2.16 of the Code: Clause_2.16_notice_-Thermal_fuel_disclosure.pdf

[12] Establishing an Emergency Reserve Scheme | Our consultations | Our projects | Electricity Authority

[13] Invitation to Comment: Security of Supply Forecasting and Information Policy (SOSFIP) Review Issues Paper 2025 (Closed) | Transpower

3.16. Together, these initiatives reflect a coordinated effort to support security of supply and better prepare the electricity market for future challenges.

4. Feedback on the proposal to make the urgent Code amendment changes permanent and the Authority's response

4.1. We received six submissions on the proposed permanent implementation of the urgent Code amendment changes.

4.2. Five submitters were in support of making the changes made by the urgent amendment permanent. One submitter conditionally opposed the proposal.

4.3. This section sets out our response to three issues identified by Meridian, Nova and Methanex.

Meridian suggested making all relevant thermal fuel information publicly available

4.4. Meridian recommended that more detailed information about thermal fuel should be made publicly available, especially data on contracted gas volumes. It argued that the current aggregated data published by the Authority is too general to determine which generation plants have access to gas.

Authority's response

4.5. We consider that the request for publication by Meridian relates to the Authority's monthly publication of thermal fuel information, rather than this proposal to increase the System Operator's powers.

4.6. From May 2025, the Authority has published under clause 2.16 of the Code:

(a) a subset of thermal fuel availability data on the EMI website, following weekly reporting by thermal generators to the Authority

(b) a thermal fuel dashboard on our website, using data provided to us.

4.7. At this time, we do not think it is appropriate for all thermal fuel information to be made public.

4.8. We have chosen to publish aggregated data that supports transparency and market efficiency so that individual participants' commercial interests are not compromised. We believe this amendment balances public interest with confidentiality.

4.9. Meridian specifically identified that granular information on contracted gas volumes should be made public. We do not think information on contracted gas volume should be made public given:

(a) contracted gas volumes often reflect confidential commercial arrangements between parties. Publishing this data at a detailed level could reveal sensitive information about pricing, supply strategies or contract terms. This could disadvantage participants.

(b) it could influence market behaviour, particularly in the gas or electricity futures markets. If participants adjust their positions based on others' contracted volumes, it could lead to unintended market distortions.

Nova suggested changing section 47A of the Act to allow information sharing between the Authority and the System Operator

4.10. Nova supported making the changes made by the urgent Code amendment permanent. However, in the long term, it recommended making legislative change to section 47A of the Act to allow the Authority to share data it already collects with the System Operator.

4.11. Nova raised that participants are already providing detailed thermal fuel information to the Authority on a weekly basis under clause 2.16. Nova suggested that legislative change could address the duplication in reporting created by the changes made by the urgent Code amendment.

Authority's response

4.12. While legislative change could address the duplication of reporting for participants in the longer term, it is not a viable solution in the short term, which Nova acknowledged. This is because of the timing and urgency of the System Operator's information needs.

4.13. We acknowledge the importance of streamlining reporting obligations and reducing duplication across the sector. As part of our longer-term policy work, we intend to explore options to improve information-sharing frameworks between the Authority and the System Operator.

Methanex suggested defining 'participants' to limit application of the Code to generators

4.14. Methanex was concerned that proposed changes to the Code could require them to provide gas-related information, despite not being a thermal electricity generator. They argue that their classification as a 'participant' in the Code could compel them to provide information under clause 9.18 that is not reasonably necessary for the System Operator to perform its statutory obligations.

4.15. They oppose any permanent Code change that would broaden the scope of information gathering to include non-generators like themselves.

Authority's response

4.16. We do not think it is necessary to qualify the meaning of 'participant' under clause 9.18.

4.17. We acknowledge that Methanex is registered as a participant under the Act and, therefore, required to comply with the Code. However, participants are protected by requirements that the System Operator must meet before requesting information. Participants have the right to challenge requests if they think the System Operator has not met these requirements. This ensures transparency and protects against regulatory overreach.

4.18. The proposed amendment does not introduce a new power - it clarifies and updates an existing one. Clause 9.18(2) provides that the System Operator can only request information that is:

(a) reasonably necessary for the system operator to undertake its functions under Part 9, to implement or comply with the SOSFIP or EMP, or to monitor compliance with a direction regarding outages; and

(b) in the participant's possession or that the participant can obtain without unreasonable effort or cost.

4.19. This means the System Operator cannot request information unless it is reasonably necessary for the specific purposes set out above.

5. The amendment will promote reliability and efficiency

5.1. After considering all submissions on the Code amendment proposals, the Authority considers the final Code amendment will deliver long-term benefits to consumers. This is consistent with the Authority's main objective, and is necessary or desirable to promote the matters in section 32(1)(a), (b) and (c) of the Act.

5.2. The Code amendment promotes two limbs of the Authority's main statutory objective as follows:

(a) **reliability** - through ensuring the System Operator has direct access to the thermal fuel information needed for accurate forecasting and risk management

(b) **efficient operation** - through maintaining accurate forecasts of potential security of supply risks.

5.3. We consider that the benefits of making the changes made by the urgent Code amendment permanent will outweigh the associated costs, as described in the consultation paper.[14]

6. Next steps

6.1. The Code amendment (Appendix A) will come into force on 1 December 2025.

7. Attachments

7.1. The following appendices are attached to this paper:

Appendix A Approved Code amendment

[14] Review of urgent Code amendment to the System Operator's information gathering powers

Appendix A Approved Code amendment

Part 9 Security of Supply

…

Subpart 3—Miscellaneous

…

9.18 Provision of information

(1) The **system operator** may, by notice in writing to a **participant** who the **system operator** considers may have information relevant to any of the following, require the **participant** to provide the information to the **system operator**:

(a) the preparation by the **system operator** of the **system operator rolling outage plan** under clauses 9.1 to 9.5; and

(b) the need for a **supply shortage declaration**; and

(c) the need for a direction requiring outages under clause 9.15; and

(d) the number and extent of outages necessary under a direction; and

(e) monitoring compliance with a direction given under clause 9.15; and

(f) the **system operator's** implementation of and compliance with the **security of supply forecasting and information policy** or **emergency management policy**.

(2) Subclause (1) applies only to information that is—

(a) reasonably necessary for the **system operator** to undertake its functions under this Part, to implement or comply with the **security of supply forecasting and information policy** or **emergency management policy**, or to monitor compliance with a direction regarding outages; and

(b) in that **participant's** possession or that the **participant** can obtain without unreasonable difficulty or expense.