12 May 2026

Electricity Authority
PO Box 10041
Wellington 6143

Via email: fsr@ea.govt.nz

Consultation Paper – Omnibus of common quality Code amendment proposals

WEL Networks appreciates the opportunity to provide feedback on the above consultation.

WEL Networks (WEL) is New Zealand's sixth largest electricity distribution company and is 100% owned by our community through our sole shareholder WEL Energy Trust. Our guiding statement of strategic intent is to be leading Waikato's energy future, and we work to ensure that our customers have access to reliable, affordable, and environmentally sustainable energy.

WEL supports the majority of the proposed amendments, but feels that there are further amendments required under FSR 103.

- Amendment of FIR and SIR definitions:
  The amendments still leave a misalignment between the proposed definitions and the Ancillary Services Procurement Plan in that the proposed definitions reference contingent events, whereas the Procurement Plan talks to underfrequency events.

  Contingent events that result in an underfrequency event are a subset of all contingent events. Not all contingent events cause material drops in frequency and defining instantaneous reserves in terms of contingent events has little value as the system operator does not procure instantaneous reserves to cover these events.

- Inconsistency in trigger sequencing between SIR and FIR.
  Under the current Procurement Plan methodology, SIR for interruptible load is assessed from a frequency trigger of 49.8 Hz, whereas FIR is triggered at 49.2 Hz meaning that SIR response can occur earlier than FIR.

  As a consequence, the measured SIR quantity is increased while the incremental FIR response is reduced, not because of limited capability but because the response has already been delivered as SIR. This outcome undermines the intended hierarchy between FIR and SIR and has direct commercial implications, particularly given that FIR is the higher value reserve product. Clarifying where the requirements sit as proposed does not resolve this distortion.

- Sustainment, restoration, and re-availability obligations remain unclear.
  The requirement that FIR be sustained for "at least" 60 seconds and SIR for "at least" 15 minutes (or longer in some cases), combined with provisions that reserve must not be restored until instructed by the System Operator and that providers must use reasonable endeavours to maintain response beyond the minimum duration, appears to imply an open ended sustainment obligation. This has significant

implications for technologies that can reliably deliver reserve for fixed or pre-configured durations but may not be capable of indefinite sustainment or dynamic operator driven restoration.

In addition, there is no explicit clarity on expectations for recovery time or readiness for a subsequent contingency occurring shortly after restoration. This creates uncertainty for participants as to what constitutes compliant performance and risks disadvantaging certain technologies.

To further regulatory clarity, WEL considers the following should be addressed alongside the proposed amendments:

- The definitions in 5.17 and 5.18 are changed from referencing contingent and extended contingent events to underfrequency events
- Clear alignment of FIR and SIR trigger points and measurement methodologies to ensure FIR is not effectively pre-empted by SIR.
- Explicit clarification in the Procurement Plan as to whether sustainment durations represent minimum requirements only, and whether there are any practical upper bounds on expected delivery duration.
- Clear guidance on restoration expectations, including whether early restoration may be permitted when instructed, and what level of post event recovery and re-availability is reasonably expected.
- Where appropriate, technology specific performance envelopes to ensure the framework remains technology neutral while providing certainty to participants.

Without addressing these points, WEL feels that ambiguity remains and the resulting unintended commercial and operational consequences will persist, notwithstanding the proposed relocation of performance requirements from the Code to the Procurement Plan.

Our responses to the specific questions sought by the Authority are attached and should you require clarification on any part of this submission, please do not hesitate to contact me.

Yours sincerely

[redacted]

Andrew Maseyk
Regulatory Specialist
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Appendix A Format for submissions

Submitter	WEL Networks

Proposal	Questions	Comments
FSR 101 Align over-frequency limits between the Code and the Policy Statement	Q1. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Yes. WEL Networks agrees that reinstating explicit upper frequency limits in the Code will improve clarity and alignment across the power system. As a distribution business increasingly hosting inverter-based resources, clear, codified frequency limits support consistent response settings and coordinated system operation.
	Q.2 Do you agree with the analysis presented in this Regulatory Statement? If not, please state why you do not agree.	Yes. The analysis appropriately identifies the regulatory gap and concludes that embedding upper limits in the Code strengthens certainty and reliability with negligible cost.
FSR 102 Clarify requirements for voltage control systems and connection transformers	Q3. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Yes. Clarifying voltage control and connection transformer requirements at the generating station level will avoid inefficient over-compliance and support cost-effective system design.
	Q4. Do you agree with the analysis presented in this Regulatory Statement? If not, please state why you do not agree.	Yes. The Regulatory Statement appropriately identifies ambiguity as a source of unnecessary transaction cost and supports efficient system operation.
FSR 103 Amend the 'fast instantaneous reserve' and 'sustained instantaneous reserve' definitions	Q5. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Partially yes. Locating detailed instantaneous reserve performance requirements in the Procurement Plan improves clarity and flexibility, supporting innovation and new technologies such as DER, batteries, and flexible demand. As detailed in the body of our consultation, there remains a lack of alignment between the procurement plan (where instantaneous reserves is procured to manage *under-frequency events*) and the proposed definitions

		of fast instantaneous reserves and sustained instantaneous reserves where performance is determined in terms of *contingent and extended contingency events* , and other existing issues that are not addressed.
	Q6. Do you agree with the analysis presented in this Regulatory Statement? If not, please state why you do not agree.	Yes. The analysis correctly identifies overlapping definitions as the source of confusion and appropriately balances clarity with adaptability.
FSR 104 Revise two fault ride through exclusions	Q7. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Yes. Applying fault ride-through exclusions consistently across variable and intermittent technologies supports equitable, technology-neutral regulation and efficient investment.
	Q8. Do you agree with the analysis presented in this Regulatory Statement? If not, please state why you do not agree.	Yes. Removing wind-only exclusions reflects modern system realities and reduces compliance and monitoring complexity.
FSR 105 Clarify who provides information to assess compliance with fault ride through obligations	Q9. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Yes. Aligning the Code with established practice—where the System Operator provides network models—improves clarity and efficiency for all connecting parties.
	Q10. Do you agree with the analysis in this Regulatory Statement? If not, please state why you do not agree.	Yes. This is a low-cost clarification that strengthens coordination between the System Operator, distributors, and asset owners.
FSR 106 Clarify obligations related to frequency management and frequency support	Q11. Do you agree the proposed Code amendment will achieve the objective? If you disagree, please explain why and give alternative options to achieve the objective.	Yes. The amendments improve clarity and consistency around frequency management obligations, which is increasingly important as distribution-connected assets play a greater system role.
	Q12. Do you agree with the analysis presented in this Regulatory Statement? If not, please state why you do not agree.	Yes. The analysis appropriately links drafting clarity with efficiency and reliability outcomes and supports future DSO-enabled services.