



27 August 2024

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

By email: OperationsConsult@ea.govt.nz

Subject: Consultation Paper- Instantaneous reserve cost allocation to groups of generating units

Contact welcomes the opportunity to provide comment on the consultation paper above.

In general Contact agrees with Authority's proposal as it is evident that changes are required to manage under frequency event procurement and cost allocation. Please see our responses to specific questions asked in Appendix A.

Should you have any questions on the above, please let us know.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Gerard Demler".

Gerard Demler
Transmission Manager, Contact Energy

Appendix A

Submitter	Contact
Q1. Do you agree with the description of the issues identified by the Authority? If not, why not?	Agree, but careful consideration needs to be given by the SO on the CE risk determination, this needs to be assessed on a case-by-case basis and not by broad based technology assumptions.
Q2. Do you agree with the objectives of the proposed amendment? If not, why not?	Agree.
Q3. Do you agree the benefits of the proposed amendment outweigh its costs?	Agree, but we don't believe that IR costs factor into considerations of the grid connection configuration of a generation project, this is more driven by project specific economics.
Q4. Do you think there are any other costs or benefits for the proposed amendment that have not been identified?	No not at present.
Q5. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.	Agree.
Q6. Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?	Agree.
Q7. Do you have any comments on the drafting of the proposed amendment?	Is there a code change required to enable the SO to accurately determine what the level of output (and therefore the amount of IR procured) is for an intermittent generation risk setter? This would need to be based on a persistence offer/forecast rather than the nameplate rating of the station to avoid over procuring IR quantities.