

## ACTION LIST

The following are the current SRC actions for completion.

Action	Date for completion	Status
Secretariat to prepare a base Q4 agenda and work with the Chair to scope options for Q1-3 2025 and present both for member input and approval via circular email, with the option of a short teleconference, if required	October-24	<b>In progress.</b> The secretariat circulated the Q4 2024 agenda framework and presents for member discussion proposed options for Q1-3 2025.
Secretariat to draft a proposed action list to append to the letter of advice, enabling greater monitoring of SRC recommendations, outcomes and follow-up actions.	October-24	<b>Complete.</b> Table updated to reflect the SRC's August advice
The secretariat to arrange for system operator input into the proposed SSAD deep dive at the October SRC meeting	October-24	<b>Complete.</b> The Authority presentation for item #10 includes system operator perspectives.
The secretariat to obtain a copy of the presentation slides and circulate to members	October-24	<b>Complete.</b> Shared with members 16 September.

## 1. Updates

This section provides information on matters that do not warrant a dedicated agenda item, such as articles relevant to the meeting's theme, updates on recent matters relevant to security and reliability that have previously been discussed by the SRC or published by the Authority.

For some of the articles, the secretariat has noted some key points members may wish to focus on.

### 1.1 From the Authority

- 1.1.1 Members have asked for information about other Authority workstreams, relevant to the SRC's functions.

#### Authority News and Projects

- 1.1.2 This link is to the Authority's news page, where Market Brief and other announcements are directed to, for further information:

<https://www.ea.govt.nz/news/>.

- 1.1.3 This link is to the Authority's projects page, where each project has its own sub-page, including any consultation or decision papers:

<https://www.ea.govt.nz/projects/all/>.

#### Industry Exercise 2024

- 1.1.4 The Electricity Authority and Transpower held two industry exercises covering a major power system event on 1 and 8 May 2024:

- 1.1.4.1 Day 1 was led by the system operator to test grid emergency processes and interactions between the system operator and generators, lines companies and direct connect industrial customers
- 1.1.4.2 Day 2 was led by the Electricity Authority alongside Transpower's communication team and tested communications and interactions from Transpower out through lines companies and retailers to end consumers.
- 1.1.5 On 2 October the system operator published its [final report](#). The report includes learnings and additional observations from the two-day exercise.
- 1.1.6 Members are invited to read the report and consider suggestions for future exercises and advice for the Authority. The introductory pages provide good background on the purpose and objectives of the exercises. Section 4 highlights the lessons learned and responds to questions and feedback.

#### **Power Innovation Pathway**

- 1.1.7 On 17 September 2024 the Authority opened its power innovation pathway - an *'open front door' for innovators wanting easy access to regulatory information and support to bring fresh ideas to market faster.*
- 1.1.8 The Pathway provides innovators with easier, more efficient access to regulatory information and support to enable them to bring new ideas to market faster, including local solutions for specific regions. It will also build the Authority's understanding of emerging opportunities and barriers, to enable more effective and adaptive regulation.
- 1.1.9 As noted by Authority CE, Sarah Gillies, *'the immediate focus is on accelerating innovation for increased regional resilience, competition and opportunities for consumers to manage their own electricity use and costs.'*
- 1.1.10 The pathway has already received 23 submissions since release, indicating a high level of interest. Further information about the pathway is available [here](#).

#### **SRC member thoughts on this section**

- 1.1.11 The above section and links give an indication of Authority work underway or proposed. The secretariat would like member views on how best to include general information for SRC members that supports greater understanding of the Authority's workstreams and areas of focus in a digestible format. Members should already receive Market Brief notices and have access to Energy News articles, where this information is often included.

## **1.2 Winter developments**

- 1.2.1 The SRC has asked the secretariat to include *winter developments* as a standing item in this paper for future meetings. We will include updates and articles from the sector here, giving members an opportunity to raise issues and give further guidance about content.
- 1.2.2 On 18 July the Authority decided to develop six initiatives to support security of supply. We give a brief update below on these and note where further information is available in the pack for this meeting, or by links to other resources. The winter developments are:

- 1. ***accelerate demand response participation in the market by actively exploring a full range of regulatory levers.*** This work is progressing. The Authority's immediate

priority is to investigate how we can reward industrial consumers for providing short-term demand flexibility. See workstream 2D of the Energy Competition Task Force Programme. [Energy Competition Task Force | Our projects | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/projects/all/managing-peak-electricity-demand/)

2. **change market settings for security of supply** by updating and consulting on the *Security Standards Assumptions Document (SSAD)*. Authority staff are providing an update to SRC at this meeting seeking feedback on the proposed approach to the review of the security standards and the SSAD. The Authority is also reviewing the scarcity pricing settings (which form part of the market settings for security of supply). The Authority plans to release a consultation paper regarding changes to scarcity pricing settings in November 2024. This is covered in slide 10 of item #9a in the pack for this meeting.
3. **start development of an integrated standby ancillary service in the form of a five-minute variability management tool** to provide cover for a sudden reduction from intermittent generation sources. This work is progressing but is not an immediate priority. See slide 10.
4. **promote flexibility and competition** in the wholesale and ancillary service markets by undertaking work to enhance battery energy storage systems and dispatchable demand participation and remove barriers to entry. This includes building additional value streams for flexibility. This work is progressing but is not an immediate priority. See slide 10.
5. **enhance forward price discovery in flexibility markets** by developing standardised flexibility financial products with the support of industry co-design. This work is progressing as part of the Energy Competition Task Force Programme. See workstream 1B: Standardised Flexibility Products. [Energy Competition Task Force | Our projects | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/projects/all/managing-peak-electricity-demand/)
6. **enhance outage information and coordination** by developing potential improvements to the outage coordination process. The Authority intends to publish a consultation paper in November 2024. See slide 10.

1.2.3 Please click this link for further information and links:

<https://www.ea.govt.nz/projects/all/managing-peak-electricity-demand/>

## 1.3 Outage coordination

- 1.3.1 At the August meeting, SRC members discussed a potential future topic of outage coordination. However, when prioritizing agenda items, members indicated a preference for presentations on other items. To support members' understanding of current state, we include a paper in the meeting pack as item #6a. A consultation paper on first steps to enhancing outage coordination will be released in November 2024.

## 1.4 System operator security of supply updates

- 1.4.1 The system operator is now publishing a quarterly [Security of Supply Outlook](#). They note “this document brings together a range of information that we provide on a regular basis to industry into one document to help more clearly articulate security of supply risks into 2025 for industry and other stakeholders.”

- 1.4.2 The outlook draws from the Electricity Risk Curves (ERCs), New Zealand Generation Balance (NZGB) and the annual Security of Supply Assessment (SOSA), which members are familiar with. This brief quarterly report is recommended reading for members, covering both energy and capacity.
- 1.4.3 Please use this link to access the latest security of supply information from the system operator: <https://www.transpower.co.nz/system-operator/about-system-operator/security-supply-and-capacity>
- 1.4.4 If members have concerns, or require further information, about the system operator security of supply updates, they can raise these with the secretariat.
- 1.4.5 This link is to the NIWA's seasonal climate outlook and associated commentary. A new edition is issued each month for the three months ahead. Scroll down and click on the latest issue: <https://niwa.co.nz/climate/seasonal-climate-outlook>

## 1.5 System operator weekly market movements

- 1.5.1 Link to Transpower's [Market Operations Weekly Report | Transpower](#).
- 1.5.2 In this report the system operator provides an overview and update on security of supply (energy and capacity), generation breakdown and risk curves, amongst other information.
- 1.5.3 The weekly insight included in the latest edition of the system operator's report summarises the system operator's security of supply outlook to 2025 and is recommended reading.
- 1.5.4 The secretariat recommends members sign up to receive these regularly via email and note any security or reliability risk patterns or trends, for further discussion.

## 1.6 New Zealand Generation Balance - NZGB

- 1.6.1 At members' request, the secretariat provides a link to the latest review in this section in the papers for each SRC meeting. The information presented here is to provide members with the latest published version and related information.
- 1.6.2 To review the latest NZGB, please use the following link: [Customer Portal - NZGB \(transpower.co.nz\)](#).
- 1.6.3 Reminder: change in NZGB monitoring that came into effect on 1 August, including improved load forecasting and better modelling of peak demand periods to aid in outage coordination. For further information, please use this link to access [Transpower's NZGB information session video](#) (click on the 2024 link for the dropdown to access the video and slide pack).
- 1.6.4 If members have questions or need further information, they are welcome to raise this with the secretariat. If members have security and reliability concerns, it would be appropriate to raise these during item #7 (the risk radar).

## 1.7 Scheduled generation outages

- 1.7.1 As part of its work monitoring scheduled outages, the Authority publishes a report via its Electricity Management Information (EMI) portal – [Scheduled Generation Outages](#).

## 1.8 Load Duration Curves

1.8.1 At the SRC's request these are available via the Authority's Electricity Market Information (EMI) portal:

[https://www.emi.ea.govt.nz/Wholesale/Reports/KPGKJ1?\\_si=v|3,s|mdo](https://www.emi.ea.govt.nz/Wholesale/Reports/KPGKJ1?_si=v|3,s|mdo)

1.8.2 If members have further feedback or suggestions about the data and how it is presented, they can raise these through the secretariat.

The SRC may wish to consider the following questions.

- Q1. What further information, if any, does the SRC wish to have provided to it by the secretariat in the updates section?**
- Q2. Does the SRC have a preference for how information in this paper is presented?**
- Q3. What advice, if any, does the SRC wish to provide to the Authority?**