

8 November 2024

Electricity Authority  
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## Manawa Energy's Submission: First steps in improving outage coordination

### Introduction

Manawa Energy (**Manawa**) welcomes the opportunity to provide a submission to the Electricity Authority (**Authority**) on its *First steps in improving outage coordination* consultation paper (**Consultation Paper**).

Manawa is an independent power producer with a proven track record of investing in local and grid scale renewable generation. Manawa operates a diverse portfolio of 44 power stations across 25 hydro-electric power schemes, supplying around 5% of New Zealand's electricity needs. In addition to this Manawa also supplies around 600 Commercial and Industrial customers with electricity.

### Submission

Manawa understands the importance of all asset owners, and the system operator, having a timely and accurate whole-of-system view of outages, to ensure that outages are planned in a way that minimises the risk of loss of supply to consumers. However, Manawa is concerned about the level of compliance burden that would come with the changes proposed in the Consultation Paper. Manawa may be one of the smallest electricity generators in terms of volume, but it is the largest in terms of the number of stations it operates. This likely makes Manawa the most impacted by the compliance of providing information relating to outage disclosures.

Manawa's main concern is around the inclusion of capacity reductions in the definition of outage and the proposed requirement to provide all outage information. In principle Manawa does not have an issue with including capacity reductions and is already largely providing this information. However, there are appropriate instances where Manawa currently does not provide capacity reduction information. For example, at a wind farm where a small number of turbines are unavailable (typically less than 10 MW, or around 3 turbines) then Manawa would not disclose this, or sometimes Manawa may not be even aware of a small reduction in capacity at an unoffered hydro power station (less than 1MW). The proposed broad definition would mean that these types of situations would technically need to be disclosed. Given this information would not provide any benefit to the system operator, Manawa sees that the cost to comply is not justified.

The outage definition needs to be narrowed to only encompass *material* capacity reductions. Defining *material* may be challenging however, including the word material or providing a MW and/or percentage of installed capacity threshold is required to ensure that insignificant capacity reductions do not create a compliance burden. The gas industry has recently gone through this process when creating the facilities

outage information disclosure rules<sup>1</sup> and Manawa encourages the Authority to look at the work that was undertaken to get to the point of clear thresholds being determined (namely, concerns relating to compliance costs and the appreciation that only material reductions are important). Defining this would help to constrain the compliance burden.

Furthermore, the drafting of the proposed code changes that would require asset owners to notify outages *immediately* instead of *as soon as practicable* would also create some issues for Manawa. Currently unplanned or planned outages with very short notice periods are immediately notified to the system operator via offers (typically bona fide offer revisions). To notify an unplanned outage into POCP immediately (even given the proposed 1A to allow for time to mitigate risk) is impractical given the unplanned nature of these outages. It takes time to ascertain information such as the impact/duration/etc.

Finally, the proposed change that would give the System Operator the ability to request an asset owner to terminate an unplanned outage is not appropriate. In an unplanned outage, (particularly at a time when the System Operator is requesting outages to be terminated) an asset owner would already be incentivised by the market to return the asset to service as soon as practicable. It is not clear what the problem is that is intended to be solved by this proposal, and it is also unclear what the benefit of providing this additional power to the System Operator would be in practical terms. The burden of asset owners justifying their timeliness to return assets to service seems unnecessary.

If you have any questions regarding the content of this submission, please contact Grace Burtin, Regulatory Manager.

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<sup>1</sup> <https://www.gasindustry.co.nz/assets/CoverDocument/Gas-Facilities-Outage-Information-Disclosure-Rules-v3.pdf>