

ACTION LIST

The following are the current SRC actions for completion.

Action	Date for completion	Status
The secretariat to share with members, a copy of the Authority's briefing for the incoming Minister for Energy.	February-24	Complete. A copy was emailed to members on 23 February.
The secretariat to pass feedback about load duration curves to the Authority's Data Information Management team.	February-24	Complete. Login issue identified and fixed.
The secretariat to liaise with the Chair on proposed risk radar changes and circulate for member input on both the proposed changes and member suggestions for the SRC's forward work programme	May-24	In Progress. Proposed changes to the radar are appended to the draft minutes for the February meeting and included, for discussion, at item #7 in the May meeting pack.

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/>. 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

- 1.1.3 This year's pan-industry exercise was held on 1 May and 8 May 2024. This year's exercise was designed to rehearse and reinforce processes and communications for managing and responding to potential electricity supply shortfalls.
- 1.1.4 The system operator led the first day of the Industry Exercise to test operational processes and communications between control room operators. Nearly 80 people from most of New Zealand's generators and local lines companies took part, as well as some of the major industrial customers that connect directly to the grid.

- 1.1.5 The Authority led the second day of the Industry Exercise to test communications from the system operator out through to lines companies, retailers and end consumers. This day was attended by over 130 communications and customer leads as well as industry observers. Participants were requested to complete workbooks and to publish social media posts, media releases and website posts to a social media simulator. We also collected other information from participants such as briefings, key messages for contact centres, emails to stakeholders, text messages to consumers. Almost all respondents to the post-exercise survey have indicated that they found the exercise to be a valuable learning experience.
- 1.1.6 This preparation was put into practice last week when New Zealand faced a potential electricity supply shortfall due to the unseasonal cold snap, low wind generation and planned outages of several generating units. The system operator did a great job of letting industry know well in advance of the potential shortfall, and the wider industry responded as a collective, pulling what levers they could be provide more supply or reduce demand.
- 1.1.7 The Authority is collating the information and lessons from both days of the exercise and will share lessons learned in due course.
- 1.1.8 Industry exercise tests response to electricity shortfall:
<https://www.ea.govt.nz/news/general-news/industry-exercise-tests-response-to-electricity-shortfall/>
- 1.1.9 The above links give an indication of the 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 is often included.

1.2 Draft Security of Supply Assessment (SOSA) 2024

- 1.2.1 The system operator is responsible for publishing the medium-term security of supply assessment annually. This assessment uses forecasts of electricity supply and demand to assess the ability of the electricity system to meet New Zealand's needs over the decade ahead.
- 1.2.2 The report looks at existing and planned generation and calculates both energy and capacity margins. Energy margins assess the adequacy of generation plus HVDC transmission capacity between the North and South Islands to meet expected electricity demand across the winter months under different supply and demand conditions. The capacity margin assesses the adequacy of generation and HVDC transmission capacity to meet peak winter North Island demand.
- 1.2.3 The system operator has released a draft of the annual SOSA for consultation. A final version will not be available in time for this SRC meeting, so it is proposed to include this item in the SRC's August agenda, enabling discussion with the system operator and feedback and consideration as part of the SRC's August strategy session.
- 1.2.4 While the SOSA is not included in the May agenda, we include a link to the latest available/consultation version of the SOSA [HERE](#) to enable SRC members additional time to review the assessment report and consider feedback to potentially include any urgent issues in the SRC's May letter of advice.

- 1.2.5 Relevant to the draft SOSA is the following article, noting Transpower's view on system security: https://www.energynews.co.nz/news/electricity-prices/158519/transpower-sees-more-leeway-supply-security?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.3 Gas resilience

- 1.3.1 The following are a selection of recent Energy New articles relevant to the role of gas to support electricity security and reliability. The intention is to provide members with information about the gas sector, to support the SRC's advice to the Authority on key issues and opportunities and views of key industry participants. Views expressed in these articles are not necessarily supported by the secretariat.
- 1.3.2 The secretariat welcomes member feedback on how information relevant to a theme is presented in this paper.
- 1.3.3 The following is a selection of recent gas-related articles, available via your *Energy News* subscription:
- 1.3.4 Government to coordinate with gas sector on supply woes:
https://www.energynews.co.nz/news/electricity/158449/govt-coordinate-gas-sector-supply-woes?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.5 Gas security response group holds first meeting:
https://www.energynews.co.nz/news/gas-supply/158854/gas-security-group-holds-first-meeting?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.6 MBIE to report on gas options in 20 days – Jones:
https://www.energynews.co.nz/news/electricity/158578/mbie-report-gas-options-20-days-jones?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.7 Government direction on gas direction becoming critical – Genesis:
https://www.energynews.co.nz/news/coal/158399/govt-direction-gas-becoming-critical-genesis?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.8 Govt may need to act on gas security – GIC:
https://www.energynews.co.nz/news/gas-supply/155200/govt-may-need-act-gas-security-gic?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.9 Vector looking at customer intentions as gas demand eases:
https://www.energynews.co.nz/news/gas/157555/vector-looking-customer-intentions-gas-demand-eases?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.3.10 High Court backs Commerce Commission's accelerated gas depreciation decisions:
<https://www.energynews.co.nz/news/gas-distribution/157708/high-court-backs-comcoms-accelerated-gas-depreciation->

[decisions?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter](https://www.energynews.co.nz/news/gas-supply/157608/methanex-encouraged-gas-supplier-efforts?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter)

1.3.11 Methanex encouraged by gas supplier efforts:

https://www.energynews.co.nz/news/gas-supply/157608/methanex-encouraged-gas-supplier-efforts?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.3.12 Big Ben booked for new Pohokura well:

https://www.energynews.co.nz/news/gas/155990/big-ben-booked-new-pohokura-well?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.3.13 High futures reflecting gas security 'noise':

https://www.energynews.co.nz/news/futures/155656/high-futures-reflecting-gas-security-noise?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.4 Biomass developments

1.4.1 Foresta signs lease for Kawerau black-pellet plant:

- a) ASX-listed company Foresta has signed a 30-year lease agreement with landowners for 9.6ha of industrial zoned land in Kawerau, with a further 20 year right of renewal
- b) Foresta plans to invest about \$300m in building an industrial-scale plant on the site to make bio-mass fuels (including wood pellets) to replace coal
- c) Wood pellets is seen as one way to replace coal in high-energy industrial processes, by heating the wood in the absence of oxygen to remove all the moisture and burn the pellets in the same way as coal, reducing emissions by at least 90%

1.4.1.1 Article: https://www.energynews.co.nz/news/biomass/156421/foresta-signs-lease-kawerau-black-pellet-plant?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.4.1.2 Article: <https://www.farmersweekly.co.nz/technology/green-fuel-option-lies-in-trees/>

1.4.1.3 Article: https://www.energynews.co.nz/news/biogas/155628/time-biogas-now-powerco?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.5 Tree management

1.5.1 Heli-saw trial a 'game-changer' for tree management – TLC:

https://www.energynews.co.nz/news/tree-management/158804/heli-saw-trial-game-changer-tree-management-tlc?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.6 Hydrogen

- 1.6.1 Questions about ownership of natural hydrogen:
https://www.energynews.co.nz/news/hydrogen/156457/jones-wants-know-who-owns-natural-hydrogen?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.7 Demand response and controllable load

- 1.7.1 Industry, households deliver 260 MW demand reduction:
https://www.energynews.co.nz/news/demand-response/158765/industry-households-deliver-260-mw-demand-reduction?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.7.2 **Hot water cylinder control:** Contact's Hot Water Sorter Programme –
https://www.energynews.co.nz/news/demand-management/156922/contact-eyes-control-10000-hot-water-cylinders?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.7.3 **Unlocking demand-flex:** https://www.energynews.co.nz/news/demand-response/155355/standards-regulation-needed-unlock-demand-flex-intellihub?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.8 Winter developments

- 1.8.1 Members have 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.
- 1.8.2 Authority staff will attend the May meeting to present an update on security of supply, including thermal fuels
- 1.8.3 This link is to the Authority's peak capacity issues consultation paper:
<https://www.ea.govt.nz/projects/all/managing-peak-electricity-demand/consultation/potential-solutions-for-peak-electricity-capacity-issues/>.
Consultation closed on 1 March 2024.
- 1.8.4 Members are asked to consider how they would like to receive this information in future editions, in terms of format and content. Consideration should be given to ways that best enable inclusion of the most up to date information.
- 1.8.5 The winter peak capacity issue has become visible in early-May. On 1st May the system operator issued a customer advice notice (CAN) advising the NZGB is forecasting a low residual situation for both the 9th and 10th of May. All CANs are available at this link: <https://www.transpower.co.nz/system-operator/notices-and-reporting/customer-advice-notices-can>
- 1.8.6 On 7 May the system operator issues a CAN for a low residual situation for 8 May (this was not forecast in the NZGB). On 9 May the system operator issued a CAN for a low residual situation for 10 May.

- 1.8.7 On both 7 and 9 May the system operator held industry tele-conferences to discuss the situation, request actions to alleviate the situation, and advise consequences if the situation did not improve. For both, industry responded and there was no required disconnections of consumers.
- 1.8.8 For the 9 May CAN, Transpower also issued a call on public to avoid blackouts: https://www.energynews.co.nz/news/electricity-supply/158616/transpower-calls-public-avoid-blackouts?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter. This call was also picked up by major retailers, and customised requests were sent to their customers.
- 1.8.9 Transpower removed circuits to prevent equipment damage: https://www.energynews.co.nz/news/electricity-transmission/158793/solar-flares-see-transpower-remove-circuits-nationwide?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.8.10 Solar storms added to Transpower's plan for future events: https://www.energynews.co.nz/news/electricity-transmission/158805/solar-storms-added-transpowers-plan-future-events?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter
- 1.8.11 There was significant reporting in mainstream media of these events.

1.9 System operator security of supply updates

- 1.9.1 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>
- 1.9.2 If members have concerns, or require further information, about the system operator security of supply updates, they can raise these with the secretariat.
- 1.9.3 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>

1.10 System operator weekly market movements

- 1.10.1 Link to Transpower's [Market Operations Weekly Report | Transpower](#).
- 1.10.2 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.
- 1.10.3 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.

1.11 System operation

- 1.11.1 Artificial Intelligence and system operation: <https://www.energynews.co.nz/news/market-regulation/146928/ai-drive-fundamental-regulatory->

[reform?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter](https://www.energynews.co.nz/news/hvdc/151607/gentailers-industry-back-hvdc-upgrade?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter)

1.11.2 Gentailers, industry back HVDC upgrade:

https://www.energynews.co.nz/news/hvdc/151607/gentailers-industry-back-hvdc-upgrade?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.12 New Zealand Generation Balance - NZGB

1.12.1 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.

1.12.2 To review the latest NZGB, please use the following link: [Customer Portal - NZGB \(transpower.co.nz\)](https://www.transpower.co.nz/customer-portal/nzgb).

1.12.3 Relevant to NZGB for the May meeting is the system operator's call for generators to consider rescheduling outages after identifying low N-1-G margins throughout May: https://www.energynews.co.nz/news/electricity-generation/157263/tight-supply-margins-next-six-weeks?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter

1.12.4 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).

1.13 Scheduled generation outages

1.13.1 As part of its work monitoring scheduled outages, the Authority publishes a report via its Electricity Management Information (EMI) portal – [Scheduled Generation Outages](https://www.emi.ea.govt.nz/Wholesale/Reports/KPGKJ1?si=v|3,s|mdo).

1.14 Load Duration Curves

1.14.1 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>

1.14.2 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?