

6 March 2024

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Sent via email: [system.operator@transpower.co.nz](mailto:system.operator@transpower.co.nz)

Dear Dean

## **Proposed changes to the System Operator Rolling Outage Plan**

1. This is a submission from the Major Electricity Users' Group (MEUG) on Transpower's consultation paper "*System Operator Rolling Outage Plan Review*"<sup>1</sup> published for consultation in February 2024.
2. MEUG members have been consulted on the approach to this submission. Members may lodge separate submissions. This submission does not contain any confidential information and can be published on Transpower's website unaltered.

### **Support changes to update and simplify the SOROP**

3. MEUG appreciated the early discussions we have had with the System Operator, discussing the intent of this review and the proposed changes ahead of the formal consultation process. We support the System Operator's drivers for this work – to simplify and update the System Operator Rolling Outage Plan (SOROP) and to clarify the obligations on participants.
4. We have discussed this consultation paper in detail with the MEUG members who are direct connects<sup>2</sup> and therefore have obligations and must produce an Outage Plan for their own site. The MEUG submission reflects the views of all these parties. We have the following observations and comments:
  - We are comfortable with the change from 14 days to a seven days' notice period.
  - We recommend that the System Operator clarify with each direct connect how they will account for existing demand response agreements as part of a participant's savings target.

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<sup>1</sup> <https://static.transpower.co.nz/public/bulk-upload/documents/SOROP%20Consultation%20Paper%20-%202024%2001%2018%20DRAFT.pdf?VersionId=Bq3oVdhPQiNZDbFYyY4Oh5uUimC1rz76>

<sup>2</sup> NZAS, NZ Steel, Pan Pac and WPI.

- Clarification is needed with each direct connect on how they are to manage any AUFLS or Interruptible Load (IL) obligations during an event. There may be some unintended consequences for the electricity system if requirements are not clearly managed. We believe that this matter is best discussed on an individual basis to determine the exact requirements, rather than trying to address it through the drafting of the SOROP.
- We encourage the System Operator to develop a template or specified format for participants to provide the required weekly information and ensure that this reporting can be done online if possible. This will make the process easier and more consistent.
- We do not believe that it will always be feasible for industrial participants to meet energy savings targets in 5% increments, due to operational constraints and conditions (i.e. turn down capacity of equipment). The energy savings targets disclosed should reflect the saving targets possible for the specific site, where they differ from 5% increments.

5. We are happy to meet with the System Operator to discuss these points.

### Detailed comments

6. We have the following detailed comments, which we set out in the table below.

Area	MEUG comments
Term <i>extended period(s)</i>	We note that the term <i>extended period(s)</i> is used numerous times in the amended SOROP, but the term is not defined. Clarification would be useful.
Clause 6.12(b)	Clause 6.12(b) does not work for all non-conforming loads. It would be more useful to have a different requirement for non-confirming loads that do not have a monthly or seasonal load profile.
Clause 4.1(c)	Under 4.1(c) its states that “a <i>savings target will typically be an energy savings target per week</i> ”. We are comfortable with the per week requirement but note a minimum is not set in the proposed SOROP. This could potentially be problematic.
Term <i>capacity saving</i>	There has been no change to this term. However, we note that for some facilities these savings target expressed as a maximum instantaneous demand (in MW) during a period could be challenging to achieve and restart in a reasonable time.
Use of term <i>forecast</i>	We note that there could be issues with the term <i>forecast</i> regarding non--conforming loads. Clause 4.1(b) provides for the ability to challenge the “forecast” if it is inaccurate. However, if the week before (or a week in August) was a low production period for any variety of reasons, but the next week (during the rolling outage) the facility was planning normal or even high production/energy, it is possible the facility will be asked to provide more saving than is fair based on an alternative metric (e.g. annual average load)

### Next steps

7. We welcome the System Operator updating the SOROP, in the case of an energy shortage, noting that this document has not be enacted since its introduction in 2010. We encourage Transpower to continue with its broader work programme with the Electricity Authority and sector participants to ensure that we can manage the peak capacity issues in the coming winters and ensure that the electricity system can continue to provide a reliable supply of electricity through the energy transition.
8. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at [karen@meug.co.nz](mailto:karen@meug.co.nz).

Yours sincerely



**Karen Boyes**  
Major Electricity Users' Group