

Commission Update – 6 April 2010

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Generation capacity for peak electricity demand

In late 2009, there were increasing concerns regarding the ability to dispatch thermal plant to meet peak electricity demand on occasions. It was necessary to suspend the reserves market on six occasions during 2009 to meet demand.

The SO, Commission, and an industry technical group developed a package of solutions. The package included:

- a) the Commission reviewing the way in which Whirinaki Power Station is offered for dispatch;
- b) reintroducing variable reserves;
- c) improving the information provided by the SO to market participants;
- d) an urgent rules change to improve the way in which instantaneous reserves are dispatched and priced; and
- e) reviewing the rules associated with decreasing demand in a grid emergency when interruptible load has also been offered.

The current status of these components is:

- a) Review of the Whirinaki offer strategy - completed. The Whirinaki offer strategy was amended on 1 March 2010. Note that the review, while generally supported by the technical group was carried out, and the eventual decision to change the strategy, by the Commission and not discussed with the industry group.
- b) Reintroduction of variable reserve in 0.2 increments - implemented.
- c) Improvements to information provision - to be carried out in two phases, with the first implemented by 1 May 2010 and the second by 1 July 2010.
- d) Urgent rules change - gazetted. The rule change provides for constrained-on payments for IR providers and improvements in the dispatch of instantaneous reserves. This rule change takes effect as of 1 May 2010. However, it is necessary that the System Operator give priority to the commissioning of the new Stratford peaking plant. The commissioning of Contact's two new turbines will help to support security of supply. This means that the rule change will now not be implemented until 1 July 2010. Applications for exemptions from NZX and the System Operator will be considered.
- e) Reviewing rules relating to decreasing demand in a grid emergency - the Commission has considered the options and decided not to proceed further at this point.

Market Governance Update

The March 2010 Market Governance Update has been published and is available at:

- <http://www.electricitycommission.govt.nz/rulesandregs/compliance/updates>

Approved consumer complaints scheme for gas and electricity

As from 1 April 2010, every retailer and distributor of electricity and/or gas (including Transpower) must participate in the Electricity and Gas Complaints Commission (EGCC)'s approved complaints scheme. This means that if consumer complaints are unable to be resolved by the relevant retailer or distributor, electricity and gas consumers will be able to refer their complaint to a single, independent, free disputes resolution service.

Further information on the EGCC Scheme, including the constitution, is available from the EGCC website. They can also be contacted on 0800 223340:

- www.egcomplaints.co.nz/scheme.htm

The process of approving the complaints scheme is explained at:

- <http://www.electricitycommission.govt.nz/opdev/retail/consumercomplaints>

Submissions received on Security, Web Services, and EIEP Data Exchange

Submissions regarding the discussion paper, *Security, Web Services, and EIEP Data Exchange* have been published.

- <http://www.electricitycommission.govt.nz/submissions/retail/security-web-EIEP>

System Operator Policy Statement (Schedule C4) Annual Review

On 30 March 2010, the System Operator submitted a 2010 draft policy statement to the Commission under rule 10.1 of section II of part C of the Rules.

In accordance with rule 11.1 of section II of part C of the Rules the draft statement is provided for participants' information.

The Commission will publish a formal statement of proposal in late April for the purpose of consultation.

- <http://www.electricitycommission.govt.nz/opdev/comqual/2007policystatement>

Consultation documents

- [Proposed amendments to parts E and J of the Rules](#)
Closes 19 April 2010
Posted 23 March 2010
- [Wind Forecasting and Market Integration: Options](#)
Closes 26 April 2010
Posted 19 March 2010
- [Amendments to the Advanced Metering Infrastructure Guidelines](#)
Closes 30 April 2010
Posted 19 March 2010

Contacts

Contact details for the Commission are at: www.electricitycommission.govt.nz/contact

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