

## ACTION LIST

The following are the current SRC actions for completion.

Action	Date for completion	Status
The secretariat to assess the impact of coincident risks and include this analysis by the March 2021 version of the risk register.	Mar-21	<b>In progress, overdue</b> , target completion for August 2021.
The secretariat to work with the Chair to amend the work programme.	Ongoing	<b>In progress.</b> The longer-term work programme is pending (out to 2023/24).
The secretariat to provide an update from the grid owner about the Hutt Valley and Wairarapa region outage.	Aug-21	<b>In progress</b> , pending further investigation.
The secretariat to invite the Climate Commissioner's office to an SRC meeting in 2021.		<b>In progress</b> , target for August 2021.
The secretariat to organise a follow up cyber-security survey to be sent to participants.	Oct-21	<b>In progress.</b> The next survey will be initiated in August 2021.
The secretariat to invite the system operator to provide a short presentation on the assumptions used for the Electricity Risk Curves at the SRC May 2021 meeting.	May-21	<b>Completed</b> , see agenda item #8
The secretariat to provide a list of complementary projects under G2.	Aug-21	<b>Not started.</b>
The secretariat to provide the SRC with the Authority's submission to the Climate Change Commission.	May-21	<b>Completed</b> , see section 1.1 of this paper.
The secretariat to provide regular updates to the SRC regarding the status of the hazards from trees regulations.	Ongoing	<b>Ongoing.</b>
The secretariat to provide an update about the status of standards for inverter-based technology.	May-21	<b>Completed</b> , this will be a verbal update.
The secretariat to provide an update about the cohesive energy strategy for the future.	May-21	<b>Completed</b> , note this will be a verbal update.

# 1. Updates

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

## 1.1 Authority's submission to the Climate Change Commission

- 1.1.1 The Authority welcomed the Climate Change Commission's publication of its draft advice and appreciated the opportunity to provide them with a submission. Publication of the Commission's draft advice represents a watershed moment for New Zealand, setting out a blueprint for how our country can transition to a low-emissions economy that serves New Zealanders for many generations to come.
- 1.1.2 The Authority's submission was provided in March 2021 and is available here: <https://www.ea.govt.nz/assets/dms-assets/28/Electricity-Authority-submission-on-the-Climate-Change-Commissions-draft-advice-March-2021.pdf>.
- 1.1.3 Appendix A of the submission provides an overview of the Authority's comments to each draft recommendation, as well as where any relevant work is in progress.

## 1.2 Update: review of electricity industry's COVID-19 response

- 1.2.1 In early 2021, the Authority explored the lessons learned through the 2020 lock down periods. The Authority did this by reviewing parties' responses to the COVID-19 pandemic, with particular reference to the letters of expectation sent to participants in April 2020. Areas of interest to the Authority included:
  - What challenges did your business encounter and overcome?
  - In what ways did the social distancing measures implemented impact your ability to manage your customer relationships and your ability to supply them?
  - What extra efforts did you undertake to meet your customers' needs over the period?
  - What areas did your business perform particularly strongly in?
  - What changes in practice have been adopted as business as usual?
- 1.2.2 The review sought feedback from both participants and non-participant agencies as to the scope and effectiveness of the industry's COVID-19 responses.
- 1.2.3 The Authority expects to publish a report into the industry's experiences through the lock down period to ensure that lessons learned are socialised across all businesses and agencies. We expect this report will be published late June 2021.

## 1.3 The Authority responds to misperceptions

- 1.3.1 This *Market Brief* article corrects some misperceptions about high spot prices and security of supply and updates on the Authority's response. For more information

about responses to current dry-year risk, see the paper under agenda item #8 (*Update on security of supply situation*):

<https://www.ea.govt.nz/operations/wholesale/security-of-supply/spot-prices-and-the-wholesale-market-review/>

## 1.4 Thermal running hard as lakes remain low

- 1.4.1 For the week to 9 May, approximately 25% of electricity generation came from Thermal sources (up from 22% the week before). For the same week, hydro generation, according to Transpower, contributed 46%, with in-flows the 8<sup>th</sup> lowest they have been in the last 96 years. Full story:

[https://www.energynews.co.nz/news/natural-gas/92893/thermal-running-hard-lakes-remain-low?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=energy-news-newsletter](https://www.energynews.co.nz/news/natural-gas/92893/thermal-running-hard-lakes-remain-low?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter)

## 1.5 Norske Skog and other major energy users operating at reduced capacity and on-selling contracted gas.

- 1.5.1 Norske Skog has been operating its Kawerau plant at reduced capacity citing the high price of energy used in its production processes. This follows a two-week shutdown in April. According to Major Energy Users Group Chair, John Harbord, Norske Skog is opting to on-sell its natural gas to other users.
- 1.5.2 The full story (paywalled) is here: <https://www.nbr.co.nz/story/high-energy-prices-force-norske-skog-gas-sales>.
- 1.5.3 Major Electricity Users Group gives its views on cause and effect of wholesale prices in this article: [https://www.energynews.co.nz/news/electricity-prices/92267/nz-energy-prices-are-turning-lights-out-meug?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=energy-news-newsletter](https://www.energynews.co.nz/news/electricity-prices/92267/nz-energy-prices-are-turning-lights-out-meug?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter).

## 1.6 Climate scientists: Concept of net zero is a dangerous trap

- 1.6.1 Some commentators believe the focus on deploying so-called “carbon dioxide removal” techniques may be diminishing the urgency surrounding the need to curb emissions.

<https://sciblogs.co.nz/changing-climate/2021/04/24/climate-scientists-concept-of-net-zero-is-a-dangerous-trap/>

## 1.7 Start-ups looking at the future of electricity transmission

This article looks at wireless long-range transmission, citing short and long-term advancements:

<https://www.stuff.co.nz/business/green-business/122266326/electricity-beamed-to-homes-could-do-away-with-wire-transmission-cables>

## 1.8 Cheap solar and wind power set to supplant fossil fuels by 2050

- 1.8.1 A recent report cites recent cost reduction in solar and wind power, as a significant pathway toward supplanting fossil fuels. The report considers poor countries would be the greatest beneficiaries, with Africa potentially becoming a “renewables superpower”. More details:

<https://news.fuseworksmedia.com/129f2912-023e-4071-b62e-d6450f1169db>

## 1.9 Alternative dry-year solutions

- 1.9.1 This Energy News article talks about Meridian’s view on alternatives to pumped hydro, such as flexible demand response and large-scale green hydrogen.

[https://www.energynews.co.nz/news/green-hydrogen/90895/flexible-h2-dry-year-solution-meridian?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=energy-news-newsletter](https://www.energynews.co.nz/news/green-hydrogen/90895/flexible-h2-dry-year-solution-meridian?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter)

## 1.10 De-carbonising New Zealand’s energy sector

- 1.10.1 This article looks at how we generate electricity and asks how we can decarbonise New Zealand’s energy sector:

<https://www.nzherald.co.nz/nz/covering-climate-now-how-do-we-decarbonise-new-zealands-energy-sector/NBFCVVVHOPLMT4735VRJSBYYPE/>

## 1.11 229 MW solar generation project announced

- 1.11.1 Lodestone Energy have announced a series of five solar farms in the upper North Island totalling 229MW expected to be fully commissioned by early 2024. The first, a 39 MW facility near Kaitaia, expects to begin construction later this year.

<https://www.stuff.co.nz/business/125090584/300m-plan-for-five-solar-energy-farms-providing-1pc-of-countrys-supply>