

ACTION LIST

The following are the current SRC actions for completion.

| Action # | Meeting created | Action | Date for completion | Status |
|----------|-----------------|--|---------------------|---|
| 8 | 32 | The secretariat to assess the impact of coincident risks and include this analysis by the March 2021 version of the risk register. | Mar-21 | Not started. |
| 11 | 32 | The secretariat to work with the Chair to amend the work programme. | Apr-21 | In progress. The longer-term work programme is pending (out to 2023/24). |
| 12 | 33 | The secretariat to provide an update from the grid owner about the Hutt Valley and Wairarapa region outage. | Aug-21 | In progress, but pending further investigation. |
| 13 | 33 | The secretariat to investigate inviting the Climate Commissioner's office to an SRC meeting in 2021. | Mar-21 | Not started. |
| 14 | 33 | The secretariat to organise a follow up cyber-security survey to be sent to participants. | Oct-21 | In progress. |

1. Updates

This section provides information on matters that don't warrant a dedicated agenda item, such as updates on matters that have previously been discussed by the SRC.

1.1 The current security of supply situation

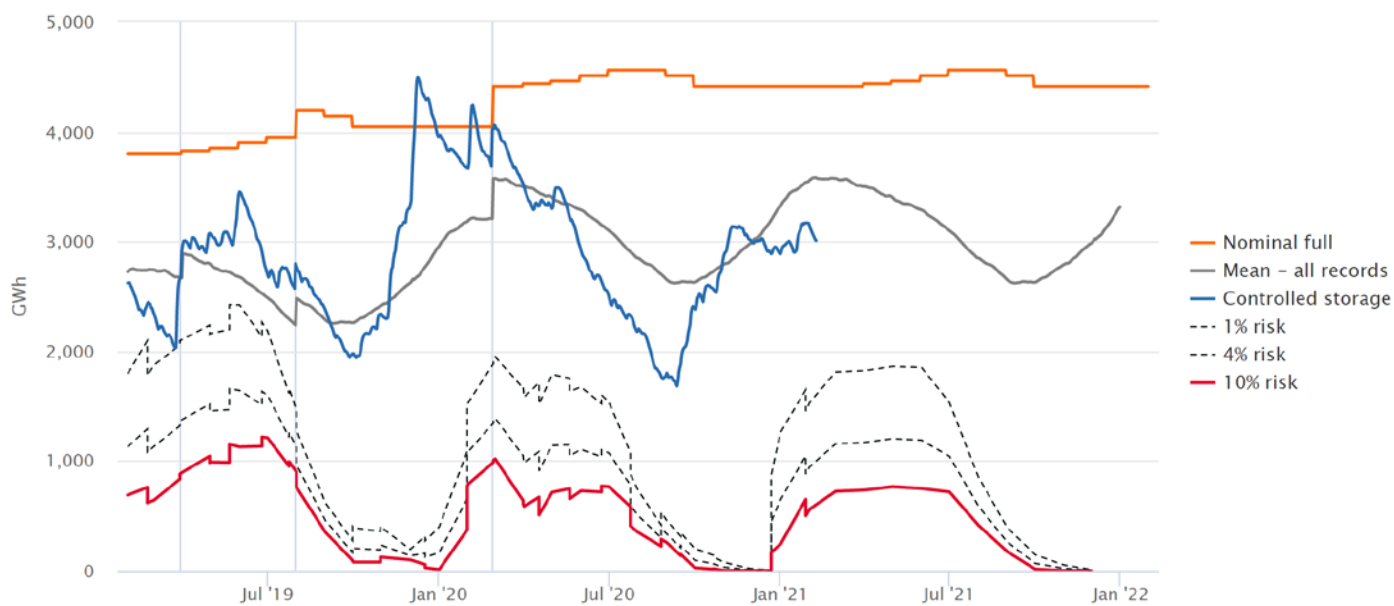
1.1.1 As at 8 February 2021, national hydro storage was 68% of nominal full, which is 84% of mean storage for this time of year. On 2 February 2021, the system operator reported that:

“South Island storage sits at 87% of average, with no major inflow events. This is two percentage points down from the previous week, but still higher than the levels seen throughout December and early January.

North Island storage fell another eight points to 110% of average (66% of full), with seven-day average inflows continuing to fall. Demand for the week rose two percent to 747 GWh, with high temperatures in parts of the country leading to higher irrigation and air-conditioning loads. Renewable generation was 81% of the generation mix over the last week. South Island hydro generation continues to be relatively low for this time of year, reflecting current hydrology.”

1.1.2 The system operator's electricity risk curves are presented in Figure 1 below, which is sourced from an Authority dataset.

Figure 1: New Zealand-wide electricity risk curves as at 8 February 2021



www.emi.ea.govt.nz/r/lzfxo

1.2 Review of electricity industry's COVID-19 response

- 1.2.1 The COVID-19 pandemic is an extraordinary event, with the effects of both the measures taken to contain the transmission of the virus and the virus itself, causing significant disruption to New Zealander's lives.
- 1.2.2 During and since the lockdowns earlier in 2020, the electricity industry has demonstrated a strong degree of flexibility and resilience in managing the supply of electricity to consumers. This has been achieved whilst maintaining the safety of their own staff through the extended period of managed social distancing and restricted domestic travel. The Authority believes the electricity industry can be proud of what it has achieved through an extremely disruptive year.
- 1.2.3 In early 2021, the Authority will take the opportunity to explore the lessons learned through the 2020 lock down periods. The Authority will review 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 include:
- 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?
- 1.2.4 The review will seek feedback from both participants and non-participant agencies as to the scope and effectiveness of the industry's COVID-19 responses.
- 1.2.5 The results of the review will inform a report into the industry's experiences through the lock down period and ensure that lessons learned are socialised across all businesses and agencies.

1.3 Norske Skog is reviewing the future of its Tasman newsprint mill at Kawerau.

- 1.3.1 In addition to the press announcement provided at the October SRC meeting, about the future of the Tasman newsprint mill at Kawerau,¹ Norske Skog has commenced production of paper for supplies into the Asian packaging markets in the form of Pulp on Reel.
- 1.3.2 The press announcement can be viewed at <https://www.norskeskog.com/Investors/Press-releases/English-press-releases/Promising-future-for-the-Tasman-mill-and-Nature%E2%80%99s-Flame?PID=4241&M=NewsV2&Action=1>.

1.4 Local lines companies' performance trends

- 1.4.1 In December 2020, the Commerce Commission released a breakdown of revenue and reliability trends for local lines companies. The reports can be found on the

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<https://www.norskeskog.com/Investors/Press-releases/English-press-releases>

Commerce Commission website: <https://comcom.govt.nz/regulated-industries/electricity-lines/electricity-distributor-performance-and-data/trends-in-local-lines-company-performance>.

1.5 Tiwai plant secured until 2024

- 1.5.1 New Zealand Aluminium Smelters and its majority owner Rio Tinto will keep operating the Tiwai plant until 2024, and there is speculation they will keep operating beyond 2024. The full article is on Energy News: <https://www.energynews.co.nz/news-story/tiwai-point/81689/will-2024-be-end-tiwai>.

1.6 Climate Change Commission and role of gas in NZ

- 1.6.1 The Climate Change Commission is wary of the 100% renewables target and consider that gas will have a role in NZ until at least 2035. It advocates a mix of policies aimed at increasing renewable energy use across the whole economy – not just the electricity sector – to 60 per cent by 2035. The full article is here: https://www.energynews.co.nz/news-story/coal/82422/end-sight-coal-use-ccc?utm_source=newsletter&utm_medium=email&utm_campaign=energy-news-newsletter.

1.7 Wind farm at Castle Hill in Wairarapa

- 1.7.1 There is speculation about whether Genesis Energy is reconsidering building a wind farm at Castle Hill. Genesis declined to make any comment other than it was considering its options. Full story is here: <https://www.stuff.co.nz/business/124102651/genesis-may-revive-plan-for-16-billion-wind-farm-at-castle-hill>.

1.8 Commerce Commission calls for improved performance

- 1.8.1 The Commerce Commission has issued media releases for two electricity distributors contravening its network quality standards through an excessive level of power outages in 2017 and 2018:
- Horizon Energy – [issued a warning](#)
 - Unison Networks – [issued with a compliance advice letter](#).
- 1.8.2 Energy News also has a news article available [here](#).

1.9 Tauhara expansion proceeding

- 1.9.1 Contact Energy has confirmed it will proceed with its \$580 million development station on the Tauhara field. Construction will be completed in 2023.
- 1.9.2 Contact is also undertaking a strategic review of its gas plants. The full story is [here](#) on Energy News.

1.10 Genesis makes third Rankine unit available

- 1.10.1 Genesis Energy is making its third 250MW Rankine unit available from 22 February 2021 until 30 September. The unit is needed due to low gas and hydro supply levels, which look set to fall further.

1.10.2 Genesis expects the third unit will run in a limited capacity alongside its other units (Rankin 1 and 4, and gas units 5 and 6). The full story is [here](#) on Energy News.

1.11 Te Waihanga releases discussion document on energy infrastructure

1.11.1 The New Zealand Infrastructure Commission, Te Waihanga has released a discussion document looking at the state of play in the energy sector. This is one in a series of documents on key areas of New Zealand's infrastructure.

1.11.2 Te Waihanga's Chief Executive, Ross Copland, states:

By global standards, New Zealand's energy infrastructure is performing well in balancing the competing demands of resilience, sustainability and affordability. But it has significant challenges ahead as we look to address our reliance on non-renewable energy sources to fuel industry, transport and electricity generation.

1.11.3 Previous discussion documents already published include the state of play on telecommunications and its framework for analysing infrastructure. Reports in the pipeline include water, waste and resource recovery, transport, and social infrastructure sectors. These will all inform a draft 30-year infrastructure strategy set for consultation in mid-2021, due to be presented to the Minister by September 2021.

1.11.4 There is a short Energy News article about the discussion document [here](#), or the full discussion document is available on Te Waihanga's [website](#).