

Meeting Date: 21 October 2021

PURPOSE AND SCOPE OF NEXT
MEETING'S SUBSTANTIVE PAPERS

SECURITY
AND
RELIABILITY
COUNCIL

Note: This paper has been prepared for the purpose of the Security and Reliability Council. Content should not be interpreted as representing the views or policy of the Electricity Authority.

1 Purpose and scope of next meeting's substantive papers

1.1 This is the SRC's opportunity to provide verbal guidance for next meeting's substantive papers

1.1.1 The purpose of this paper is to allow the SRC to provide expectations for the following meeting's substantive papers and improve the efficiency and effectiveness of the secretariat's preparation. If there is any particular context or SRC concerns/questions, these would be valuable to share with the secretariat.

1.1.2 The next meeting's substantive papers are:

- a) Emergency preparedness
- b) Cyber security survey aggregated results and analysis
- c) Annual review of system operator performance – final report
- d) New Zealand Generation Balance

1.2 Emergency preparedness

1.2.1 This set of papers addresses the SRC's theme of resilience of the system to sudden, unexpected shocks.

1.2.2 The SRC will be provided with papers from the system operator on emergency preparedness, including business continuity planning, preparedness for rolling outages, and system restoration arrangements, including black start.

1.2.3 The secretariat will invite generators to report on emergency preparedness, including fuel supply availability in a post-emergency situation.

1.2.4 The secretariat will invite the system operator and the Authority to provide information on communications plans and preparedness for supply emergencies.

1.2.5 The secretariat will invite the Ministry of Civil Defence and Emergency Management to provide information about emergency preparedness of the electricity industry.

1.2.6 With the movement of SRC themes resulting from bringing gas forward to Q4 2021, asset management, which has overlap with emergency preparedness, will be covered in Q2 2022.

1.2.7 The secretariat invites feedback from SRC members on whether the above will provide the necessary information for them to provide advice on this theme and what else, if anything, the SRC would like included.

1.3 Cyber security

1.3.1 At the February 2022 meeting the SRC will be provided with the anonymised and aggregated results of the second survey and a presentation from InPhySec

1.3.2 The secretariat considers the purpose of this topic is to:

- a) provide the SRC with a level of assurance that industry governance and risk management standards are sound. Because of the importance of a reliable gas supply, gas participants were added this year.
- b) to provide the SRC with information to help it consider any weaknesses that could impact security and reliability and provide advice to the Authority, or for them to pass on to the Gas Industry Co) on areas of potential focus
- c) Give the SRC an understanding of the risk levels (high, medium, low) of disruption, vulnerabilities and capabilities of threat actors
- d) Consider and assess recommendations from cyber experts, InPhySec and what, if any, advice it wants to give
- e) give the SRC the opportunity to hear from and ask questions of InPhySec, and representatives from the National Cyber security Centre on points relevant to the SRC's purpose

1.3.3 The SRC moved this item back in its work programme, as the theme of gas reliability and resilience was brought forward.

1.4 Annual review of system operator performance

- 1.4.1 The Electricity Industry Participation Code 2010 (Code) requires the Authority to review the system operator's performance each year. In doing so, it must take account of a self-review that the system operator must perform each year under the Code.¹
- 1.4.2 At the October meeting the SRC is reviewing the system operator's self-review and the Authority's indicative draft response. This item is included in this paper, because at the February meeting the SRC will have an opportunity to review the Authority's final report and consider what further advice, if any it wants to give.

1.5 New Zealand's Generation capacity security (NZ Generation Balance Report)

- 1.5.1 NZGB report forecasts capacity security over the next six months, which means that reviewing it at this time of year provides an opportunity to identify risks associated with the coming winter.
- 1.5.2 The NZGB report quantifies the security risk by calculating the MW capacity difference between daily peak demand and available generation for a range of scenarios. The risk for each scenario is tested by accounting for planned outages, and then assuming certain other large transmission and generation assets are not available.
- 1.5.3 The SRC may like to consider whether this paper is handled differently at meetings in future. For example, the SRC could be provided with the system operator's report by way of an update, enabling the SRC to review the report but only schedule time in the agenda for discussion, if indicators suggest there are significant areas of concern or changes needed to the content of the report. An

1

Clause 7.11 of the Code specifies the requirements of both the system operator and the Authority in reviewing the system operator's performance.

example of the latter could be if changes to the system operator's annual outage plan or requirements for participants' outage plans change and impact the report.

- 1.5.4 Pending any changes in approach, the secretariat will make the report available for the February meeting, as in previous years.