

12 December 2024

John Clark
Acting Chief Executive
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Sent via email: system.operator@transpower.co.nz

Dear John

2025 Security of Supply Assessment: Reference Case Assumptions and Sensitivities

1. This is a brief submission from the Major Electricity Users' Group (MEUG) on Transpower's consultation paper *2025 Security of Supply Assessment: Reference Case Assumptions and Sensitivities*¹ published in November 2024.
2. MEUG appreciates the opportunity to provide a late submission. This submission does not contain any confidential information and can be published on the Transpower's website unaltered.

Support approach taken for 2025 SoSA

3. MEUG supports the System Operator updating the 2025 Security of Supply Assessment (SoSA) to reflect the new insights and information available on the electricity market and broader energy sector, particularly that experienced during winter 2024. In particular, we:
 - Support the inclusion of the new sensitivities set out in section 6.3 of the consultation paper.
 - Support the intention to include a section in the final 2025 SoSA report looking at the implications of the proportion of renewable generation on security of supply margins. This is a key challenge that we will need to address as we move to an even higher percentage of renewable generation in our electricity market.
 - Support the idea raised by Mercury² to consider and model the possibility of periods of low variable renewable (wind and solar) generation coinciding with periods of low hydro inflows.

¹ https://static.transpower.co.nz/public/bulk-upload/documents/Low_Residual_Situation_Review_Consultation.pdf?VersionId=xVQSXi3SncWHSzHzeDASiI014O1DjkSMi

² <https://static.transpower.co.nz/public/bulk-upload/documents/2025%20RCA%20and%20S%20submission%20-%20Mercury.pdf?VersionId=FxbeiYxvoKeMgE5TNQIPDyv8XthIIXS>

- Welcome the removal of the assumption around Tiwai as a sensitivity, now that the New Zealand Aluminium Smelter (NZAS) has signed a 20-year electricity supply deal. It is also reassuring to see that the demand response agreement is to be incorporated into the modelling.
4. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



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