

20 June 2022

Transpower

Email: communications@transpower.co.nz

Feedback on New Generator Grid Connections: Proposed Grid Connection Queue Management System

Introduction

1. Transpower is looking to introduce a queue management system because of a substantial increase in applications for new generation connections.
2. The purpose of the consultation is to seek feedback from across the energy sector on a proposal to fairly, effectively, and transparently manage new generation applications to the national transmission grid.

Summary

3. Orion thanks Transpower for seeking feedback on its queue management proposal.
4. Overall, subject to our additional points, Orion supports the introduction of a more refined queue management system to manage the increased levels of enquiry being experienced by Transpower.
5. Orion submits that it is important to take more of a whole of system approach with the queue management proposal. There needs to be incorporation of the situation where generators apply to an EDB for connection at distribution level (indirect Grid connection). Routinely both the EDB and the developer will need to interact with Transpower as part of the developer and EDB process. At times, depending on the size of the development these may also need to enter the queue with Transpower.
6. Orion's feedback is detailed in this submission.

Orion Context

7. Orion's purpose is 'Powering a cleaner and brighter future for our communities' which is underpinned by a focus on selected United Nations sustainability goals where we believe we can provide positive outcomes through:
 - Sustainable cities and communities
 - Affordable and clean energy
 - Climate action
 - Decent work and economic growth
 - Responsible consumption and economic growth
 - Partnership for the goals
 - Reduced inequalities.
8. To support our purpose, we have focussed on five strategic programmes:
 - Transformation of our network for the future
 - Customer engagement
 - Tackling climate emergency and low carbon objectives
 - Optimising performance
 - Evolving industry capability.
9. Orion's commitment to sustainability includes, remaining open to using innovative ways to achieve sustainable outcomes and aspiring to be a leader for sustainability¹.

Other Feedback

Proposed principles of the queue management system

10. With reference to our point 5 above, we believe the first principle should be amended to state "*The queue management system should promote efficient use of the transmission **and distribution** capacity and resources.*" Both Transpower and the distributor are managing capacity and it is important that communication channels remain open between the two parties. Currently, Orion would reserve capacity once an individual construction contract is signed. We invite a conversation with Transpower to discuss and explore coordination of distribution application status and Transpower's queue management system in this respect.

¹ <https://www.oriongroup.co.nz/corporate/our-sustainability-commitment/>

11. With reference to our point 5 above, we believe the ninth principle should be amended to state *“Any delays in the queue management process caused by Transpower or an electricity distribution business- for example, if the delivery of a design, report or assessment is late- will not impact the progression of the project through the queue.”*

Proposed process flow for the queue management system

12. The proposed queue management system omits to recognise that developers are required to liaise with Transpower even if they are applying to connect at electricity distribution level.
13. Transpower’s website² indicates that any generation >1MW needs to liaise with Transpower. From our experience this begins with the Concept Assessment Review.
14. Transpower’s website also indicates that generally generation <40MW may be more appropriately connected at electricity distribution level.
15. The process flow omits the requirement for developers to engage with Transpower as System Operator (SO) to complete regulatory obligations for generation over 1MW. This includes submission of an Asset Capability Statement (ACS), and consideration of testing and commissioning plans. We suggest that this step could also be outside the queue management system but should occur between step 1 and 2 of the proposed process flow.
16. It is not clear to us at what stage any REZ assessment/reassessment would occur within the proposed process flow. We assume it would be at step 3 but it’s possible this could occur at any step in the process flow depending on the timing of applications and their location.
17. A benefit of taking a more whole of system approach is the process is clearer to developers and Transpower will have a fuller understanding of generation activity across New Zealand and resourcing required to support this. There will also be better transparency in terms of principle 8 for publicly available information.

Questions and Feedback

Question 1: Do you consider the proposed queue management system is the best option, as opposed to other possible approaches? If not, why / what are those other possible approaches?

Orion agrees that the proposed queue management system is the best option.

² <https://www.transpower.co.nz/our-work/getting-you-connected/connect-your-generation>

Question 2: What core information should be provided by all potential developers to form the stage gates for grid connection? At what stage? (Project timelines, funding assumptions, land status etc?)

We believe the following elements could form triggers for stage gates in the grid connection process:

- Concept assessment review
- Confirmation System Operator has received asset capability statement, where relevant
- Application made
- Financial commitment to investigation costs
- REZ assessment
- Solution study report completed, and feasibility confirmed
- Distribution company's connection obligations with Transpower for power quality and protection coordination confirmed (includes Code obligations)
- Property rights confirmed
- Resource consent received
- Transpower works agreement signed and/or distribution construction contract signed
- Deposits paid

Question 3: Are there any factors that should automatically trigger the cancellation of a grid connection agreement and the loss of place in the queue?

We believe that if a developer ends up in the environment court as part of the resource consent process this could be a trigger for loss of place or demotion in the queue.

We believe that if a developer is unable to secure land for their project within 12 months of application this could be a trigger for loss of place or demotion in the queue.

Question 4: In the interests of fairness, how would you recommend a queue management system be applied to those already in the queue?

Those already in the queue should be ordered based on application date and stage of progress as described in boxes 3-7 in the flow diagram on page 8.

Concluding Remarks

Thank you for the opportunity to provide this feedback. We do not consider any part of this feedback as confidential.

Please contact me if you have any questions on dayle.parris@oriongroup.co.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'DP', followed by a long horizontal flourish.

Dayle Parris

Head of Regulatory and Commercial