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Richard Fletcher
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Kate Hudson
Electricity Commission
PO Box 10041
WELLINGTON 6143

Dear Kate

Re: Dispatchable demand: options

This is Transpower New Zealand Limited's submission on the Electricity Commission's consultation paper *Dispatchable demand: options*.

Transpower agrees that the ability of demand-side participants to respond actively to wholesale electricity market conditions is an important component of an efficient wholesale market.

The paper provides a useful discussion of the types of options available. In addition, there is a consultation process under way on demand-side bidding and forecasting (DSBF), which facilitates price-based bids to achieve the required outcomes.

At this stage, the focus should be on implementing DSBF to establish a platform for demand-side response. Once this has been achieved, any additional refinements such as dispatchable demand can be consulted on.

Recommendation

Transpower recommends that the DSBF initiative be trialled prior to consideration of dispatchable demand. This will gauge the appetite for demand-side response initiatives and identify the need, if any, to develop a dispatchable solution.

Yours sincerely

Richard Fletcher
Regulatory Strategy Manager



Consultation Questions

Question No.		Response
1	Which, if any, of the high level options for dispatchable demand warrants further development or consideration? Please provide detailed reasons to support your view.	None. At this stage development of the demand-side bidding and forecasting (DSBF) initiative should be progressed to gauge the appetite for demand-response initiatives.
2	To what extent would you or your organisation participate in each of the four different kinds of dispatchable demand regimes outlined in this paper?	n/a Transpower's objective is to achieve a secure demand-side solution.
3	Are there different high level designs for a dispatchable demand regime that have not been considered in this paper?	No other designs should be considered at this stage.
4	If further work is warranted on at least one of the high level options for a dispatchable demand regime, what priority should the Commission give to this work?	No further work on dispatchable demand is warranted at this stage; priority should be given to the DSBF proposal.