



Richard Fletcher  
[richard.fletcher@transpower.co.nz](mailto:richard.fletcher@transpower.co.nz)

22 January 2010

Kate Hudson  
 Electricity Commission  
 PO Box 10041  
 WELLINGTON 6143

Dear Kate

**Re: Minor editorial rule changes**

Thank you for the opportunity to submit on the Commission’s proposed minor editorial rule changes. Transpower’s comments are summarised in the table below. There are some instances where the proposed changes are unnecessary, may have unintended effects or are not, in fact, minor in nature.

Reference No.	Agree/Disagree	Comment
Various, relating to “demand”	Disagree	<p>The proposal includes a number of changes proposing that uses of the term “demand” be bolded on the basis that this is a defined term in part A of the rules.</p> <p>Transpower does not agree with these proposed changes for the following reasons:</p> <ul style="list-style-type: none"> <li>• Demand, in the various senses used in industry practice, can refer to a rate of energy consumption or a quantity of energy consumption. For example, the System Operator uses an instantaneous demand figure (MW) in its forecasts and actual demand figures in its dispatch process, whereas the metering process is based on quantities of electricity (MWh).</li> <li>• The approach taken to the proposed changes appears to have assumed that the definition of demand in part A, which is limited to a rate of consumption, will automatically apply to all uses of the term ‘demand’ within the rules.</li> <li>• This approach is incorrect and has the potential to limit the way in which the term demand is currently used (e.g. ref. 70) or to materially change its use (e.g. ref. 43).</li> <li>• We are not aware of any practical or operational difficulties caused by demand being an unbolded term in the rules. Therefore, our view is that all uses of demand as an unbolded term in the rules should remain unbolded unless a compelling reason can be identified (on a case-by-case basis) for bolding, supported by analysis that demonstrates that no unintended consequences will occur.</li> </ul>

Reference No.	Agree/Disagree	Comment
7.	Comment	This change appears to duplicate ref. 3.
12.	Disagree	<p>This proposed amendment is unnecessary and could have unintended negative consequences as “asset” is used extensively throughout the rules. It is possible that “physically connected” could be interpreted to mean directly physically connected, which would mean that only the last of a series of equipment connected to the grid would be considered to be an “asset” for the purposes of the rules.</p> <p>Limiting the definition of asset to one which is physically connected to the grid (rather than electrically connected) could also mean that a decommissioned asset would remain an asset for the purposes of parts C and F. It might also mean that every time a circuit breaker was opened, equipment that would normally be an asset would cease to be defined as an asset.</p> <p>Under the proposed revised definition, a bird would become an ‘asset’ if it landed on a part of the grid; this would appear to be a lesser stretch to the interpretation than a toaster becoming a part of the grid under the existing definition.</p> <p>We recommend that this proposed amendment not be made and that the existing definition be retained. The effect of the proposed change is unlikely to be trivial or minor. In fact, it is unclear what effect the proposed change would have on the various parts of the rules. In our view, it is unlikely that any participant would proclaim their toaster to be part of the grid given the obligations that arise from being an ‘asset owner’ under the rules. The change, if made, would be likely to create more problems than those that currently exist.</p> <p>This comment equally applies to all places where the term ‘asset’ has been bolded in the rules. The effect of bolding changes is not easily assessed. However, it is probable that the effect of at least some of the changes would be significant.</p>
21.	Disagree	<p>The definition of “constraint” uses the phrase “convey electricity”. Whilst the use of this term is less than ideal, it could be interpreted to refer to a MW limitation (i.e. capacity). The bolding of the term “electricity” limits the definition of “constraint” to the ability to convey kWh, i.e. energy. The existence of constraints (as applied to scheduling and dispatch) relates to an instantaneous capacity limit rather than a limit to the ability to convey energy over time.</p> <p>We recommend the definition remain unchanged, as the bolding of the word ‘electricity’ would change the meaning of the definition and make it incorrect.</p>
25.	Drafting comment	The proposed insertion would read better if “with” were replaced by “at”.

Reference No.	Agree/Disagree	Comment
26.	Disagree	<p>The proposed change to the definition of “dispatch prices” and “dispatch quantities” is incorrect; the cross references in these definitions should be left as they are. The process requirements for calculating “dispatch prices” and “dispatch quantities” are set out in G III 5 – therefore this is the reference that should be used for the part A definition of these terms. This interpretation is supported by Schedule G6 6.2.3, which specifies that “dispatch prices” are the prices calculated from the SDPQ. Further, SDPQ prices are referred to as “dispatch prices” on WITS. This is the common use of this terminology amongst participants.</p> <p>On a related note – there should be a correction to the part A definition of “dispatch schedule”, which should refer to rule 4 of G III instead of rule 5, since it is under rule 4 that the System Operator formulates and issues dispatch instructions; rule 5 relates to the preparation of the SDPQ. The RTD is the schedule from which the System Operator physically issues dispatch instructions and is the “dispatch schedule” for the purposes of the rules.</p>
27.	Disagree	See above (ref. 26.)
77.	Disagree	<p>The definition of “station security constraint” was devised that way because the existing definition of “constraint” in the rules was too narrow. The definition of “constraint” under the rules refers to physical limitations of assets and/or integrated performance of the power system. This tends to exclude constraints applied to the grid by the System Operator for n-1 purposes and also those applied to generating units for the purpose of providing voltage support and frequency keeping. This is supported by the fact the System Operator separately defines the terminology around constraints in the Policy Statement. The bolding of this term is not correct and not a minor change and therefore should not proceed as part of this proposal.</p>
145.	Clarification	Note the definition of “electricity” refers to kWh but the units for the $INJ_{GENx,t}$ are MWh. Is this a problem?
193.	Disagree	This term should be “frequency keeping reserve”, with “frequency keeping” bolded as a defined term. Delete the reference to “frequency regulating reserve” and substitute “frequency keeping reserve”, with “frequency keeping” bolded.
195.	Disagree	This term should be “frequency keeping reserve” with “frequency keeping” bolded as a defined term. Delete the reference to “frequency regulating reserves” and substitute “frequency keeping reserve”, with “frequency keeping” bolded.
198.	Disagree	<p>The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatch” in this case is meant to refer only and exclusively to the issuing of dispatch instructions. This term should therefore be unbolded.</p>

Reference No.	Agree/Disagree	Comment
207.	Disagree	The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatch” in this case is meant to refer only and exclusively to the system for receiving or issuing dispatch instructions. This term should therefore be unbolded.
307.	Disagree	The term “commissioning” in Part A of the rules refers only to a metering installation. The use of the bolded term in Schedule F4 would therefore be incorrect and “commissioning” not be bolded.
308.	Disagree	The term “commissioning” in Part A of the rules refers only to a metering installation. The use of the bolded term in Schedule F4 would therefore be incorrect and “commissioning” not be bolded.
309.	Disagree	The term “commissioning” in Part A of the rules refers only to a metering installation. The use of the bolded term in Schedule F4 would therefore be incorrect and “commissioning” not be bolded.
310.	Disagree	The term “commissioning” in Part A of the rules refers only to a metering installation. The use of the bolded term in Schedule F4 would therefore be incorrect and “commissioning” not be bolded.
311.	Disagree	“electricity industry” is a stand alone term. The bolding of “electricity” in this case would appear to be incorrect and probably unnecessarily limiting.
335.	Disagree	The bolding of dispatch in this case is not correct. The term should, in fact, be deleted and simply state “auction” in bold (see change made in respect of ref. 397.)
351.	Disagree	The defined term “losses” appears to relate to a specific measurement or outcome rather than a characteristic of a piece of equipment as is contemplated in this rule. Therefore, the bolding of this term would not seem to be appropriate.
355.	Disagree	Refer to our comments on refs. 26 and 198. The bolding of the term “dispatch quantity” is incorrect. In the context of this rule, this term relates entirely to the issue of dispatch instructions and the quantity actually dispatched. Bolding this term would substantially change the meaning of the rule. We are comfortable with the bolding of “dispatched” and “offer”.
356.	Disagree	The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatched” in this case is meant to refer only and exclusively to the actual dispatched reserve quantity. This term should therefore be unbolded.

Reference No.	Agree/Disagree	Comment
363.	Disagree	The term “block dispatch” is a single term. Therefore, it is not appropriate to bold the word “dispatch” as it would potentially change the meaning of the term. It would be more appropriate to define the term “lock dispatch”, refer to a block dispatch group (which is defined), or leave the rule unchanged.
368.	Disagree	This relates to the term “station dispatch group” and therefore our comment on ref. 77 equally applies here. The definition under the rules of “constraint” refers to physical limitations of assets and/or integrated performance of the power system. This tends to exclude constraints applied to the grid by the System Operator for n-1 purposes and also those applied to generating units for the purpose of providing voltage support and frequency keeping. This is supported by the fact that the System Operator separately defines the terminology around constraints in the Policy Statement. The bolding of this term is not correct and not a minor change and therefore should not proceed. On a related note, the uses of “constraint” in rules G III 3.9.1.1 and G III 3.9.2.3 should also be unbolded.
369.	Disagree	The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatch” in this case is meant to refer only and exclusively to the actual dispatch of the generating station (as distinct from scheduling which will still be by unit). This term should therefore be unbolded.
370.	Disagree	In this rule the “demand profile” relates to the demand forecasts and actual demand figures the System Operator uses in its dispatch process. The bolding of the term “profile” may not be appropriate since it appears that the defined term is intended to refer specifically to the consumption patterns applied for reconciliation purposes. Refer to our earlier comments on the bolding of “demand”.
371.	Disagree	In this rule the “demand profile” relates to the demand forecasts and actual demand figures that the System Operator uses in its dispatch process. The bolding of the term “profile” may not be appropriate since it appears that the defined term is intended to refer specifically to the consumption patterns applied for reconciliation purposes. Refer to our earlier comments on the bolding of “demand”.
380.	Disagree	Refer to our previous comments on the term “constraint”. The defined term in part A is too narrow and bolding “constraint” in this context would change the circumstances under which this rule applies. Hence, “constraint” should not be bolded in this rule.
381.	Disagree	The term “control room” may not be appropriate in this case as it is limited to a place where dispatch instructions are received. This may be an unnecessary limitation of this rule.

Reference No.	Agree/Disagree	Comment
389.	Disagree	The definition of “adjustment” under the rules has a completely different meaning to those adjustments applied to the pre-dispatch schedule. Bolding this term in this rule would therefore be incorrect.
438.	Disagree	The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatched” in this case is meant to refer only and exclusively to actual dispatch. This term should therefore be unbolded; otherwise it could potentially change the meaning of a constrained off situation, which would not be a minor or editorial change.
439.	Disagree	The bolding of the term “dispatch” is incorrect. Refer to our comments on ref. 438. The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer to the actual dispatched quantity. This term should therefore be unbolded.
441.	Disagree	The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer specifically to the quantity calculated according to rule G V 4.3.1. This term should therefore be unbolded.
442.	Disagree	The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer to the quantity calculated according to rule G V 4.3.1, which is based on the actual dispatched quantity modified to take into account the matters specified in paragraphs (a) through (c). This term should therefore be unbolded; otherwise, the constrained off calculation would be substantially changed (which presumably is not the intent).
447.	Disagree	The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer to the actual dispatched quantity. This term should therefore be unbolded.
448.	Disagree	The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer to the actual dispatched quantity. This term should therefore be unbolded; otherwise, the constrained on definition would be substantially changed (which presumably is not the intent).

Reference No.	Agree/Disagree	Comment
450.	Disagree	The rules define “dispatch quantity” as that which is published in the SDPQ. The reference to “dispatch quantity” in this case is meant to refer to the quantity calculated according to rule G V 5.3.1, which is based on the actual dispatched quantity modified to take into account the matters specified in paragraphs (a) through (c). This term should therefore be unbolded; otherwise, the constrained on calculation would be substantially changed (which presumably is not the intent).
466.	Disagree	The defined term “losses” appears to relate to a specific measurement or outcome rather than a characteristic of a piece of equipment as is contemplated in this rule. Therefore, the bolding of this term would not seem to be appropriate.
468.	Disagree	The defined term “losses” appears to relate to a specific measurement or outcome rather than a characteristic of a piece of equipment as is contemplated in this rule. Therefore, the bolding of this term would not seem to be appropriate.
475.	Disagree	The defined term “losses” appears to relate to a specific measurement or outcome rather than a characteristic of a piece of equipment as is contemplated in this rule. Therefore, the bolding of this term would not seem to be appropriate.
482.	Disagree	Refer to previous comments on the term “constraint”. The defined term in part A is too narrow and would possibly change the requirements of the modelling system.
490.	Disagree	The defined term “losses” appears to relate to a specific measurement or outcome rather than a characteristic of a piece of equipment as is contemplated in this rule. Therefore, the bolding of this term would not seem to be appropriate.
497.	Disagree	Refer to previous comments on the term “constraint”. The defined term in part A is too narrow and would substantially change the requirements of the modelling system. We refer to rule 3 of schedule G6, which sets out various types of constraints that the modelling system is required to meet that go much further than the narrow definition of constraint in part A. The proposed change could imply that the price calculation does not need to take into account all of these types of constraints, which is presumably not the intent.
517.	Disagree	The rules define “dispatch” as an all encompassing process that includes issuing dispatch instructions, but also refers to the process of pre-dispatch and “re-scheduling”. However, it is possible for any one of these aspects of dispatch to exist independently of the others. The reference to “dispatch” in this case is meant to refer only and exclusively to actual dispatch. This term should therefore be unbolded.

Reference No.	Agree/Disagree	Comment
537.	Disagree	The term "block dispatch" is a single term. Therefore, it is not appropriate to bold the word 'dispatch' as it would potentially change the meaning of the term. It would be more appropriate to define the term "block dispatch", refer to a block dispatch group (which is defined), or leave the rule unchanged.
538.	Disagree	The term "block dispatch" is a single term. Therefore, it is not appropriate to bold the word "dispatch" as it would potentially change the meaning of the term. It would be more appropriate to define the term "block dispatch", refer to a block dispatch group (which is defined), or leave the rule unchanged.
539.	Disagree	The term "block dispatch" is a single term. Therefore, it is not appropriate to bold the word "dispatch" as it would potentially change the meaning of the term. It would be more appropriate to define the term "block dispatch", refer to a block dispatch group (which is defined), or leave the rule unchanged.
540.	Disagree	The term "block dispatch" is a single term. Therefore, it is not appropriate to bold the word "dispatch" as it would potentially change the meaning of the term. It would be more appropriate to define the term "block dispatch", refer to a block dispatch group (which is defined), or leave the rule unchanged.

Yours sincerely



Richard Fletcher  
Regulatory Strategy Manager