Final Version of the 2019 Security of Supply Annual Assessment

On 8 February 2019, we published a draft 2019 Security of Supply Annual Assessment for industry feedback. We received 4 submissions on this draft and have taken this feedback on board in producing our final version. This final version has been published to our website on the 28th February 2019.

Where it hasn’t been possible for us to take industry feedback into account, we will investigate whether it could be incorporated into future Assessments.

Several refinements have been made to the Assessment since the draft, including in response to industry feedback. The key changes are:

1. We updated the energy demand forecast to account for actual demand observed in 2018 (the draft used 2018 forecast demand).
2. We revised the Low Demand scenario in response to industry feedback. Instead of using a no-electrification forecast based on a 50th percentile growth rate, we have used a no-electrification forecast based on a 25th percentile growth rate.
3. We corrected an error in the peak forecast that artificially inflated demand in the first year.
4. We clarified that the peak margin includes instantaneous reserve requirements. This means that if the peak margin is 1000 MW, this value includes approximately 300-600 MW that would need to be used for instantaneous reserves.
5. We clarified that Assessment uses medium and high demand forecast scenarios that assume electrification of industry and transport and other components of the Te Mauri Hiko future scenarios.

These changes have not altered the results materially and the overall conclusions remain the same - that is, we expect new generation to be required to maintain reliability at an efficient level from mid-2020’s under moderate demand growth for electricity. However, these changes mean some of the dates and generation requirements in the results section will be slightly different from those in the 4 February draft. We’d like to thank all those who provided feedback on the draft.

We are developing a web-application to assist presentation of the results; the application will be available at the following address: https://www.transpower.co.nz/system-operator/security-supply/annual-assessment-results.