

## MUEG/FIG/SO Frequency Keeping Workshop

17 April 2008

Actions for the System Operator from the meeting

- Provide a copy of the SO presentation to attendees
- Publish details of the new selection process using Frequency algorithm.
- SO to conduct a test with a smaller FK band in the North Island over night. SO to work with existing providers and report back on the observed impacts. SO to determine the acceptable size of this reduced band.
- If successful this may allow other providers and SO will then consider the implications in using an asymmetric band.
- SO will be receptive to a proposal whereby a selected frequency keeper may sub-contract part of its obligation to the third party generator to facilitate multiple frequency keepers. See note 1 below.
- SO to review if the more regular manual dispatch of the HVDC pole 2 would help reduce the frequency keeping requirement as a step towards a National Market. (see note 2)

Note 1

The SO's primary concern regarding multiple frequency keepers (assuming appropriate technical capabilities and ability to co-ordinate the interaction of all providers involved) is one of governance; SO needs to have one provider that is responsible for its own and its sub-contractor's performance, given the head contractor is effectively taking on the SO's responsibility for meeting the frequency PPO.

Note 2

This assumes the Grid Owner is able to confirm the assets have the necessary capability, a matter which the Electricity Commission is considering with the Grid Owner. MER noted the possible market issues that an active use of the Pole 2 for frequency keeping might create

Note 3

The actions recorded above are in addition to a other near term activities being considered ahead of completing the EC's proposed rule change, ie:

- (1) ongoing discussions between SO and Genesis regarding HPS as an FK provider;
- (2) participants considering Genesis FK price swap offer of 17 April; and
- (3) the SO's partial co-optimisation of cons-on costs implementation from 2 June.

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