

Transpower NZ Ltd System Operator Industry Seminar 13/15 September 2006

Pricing of the 17:30 Trading Period 19th June 2006

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Development Proposals

System Operator Industry Seminar

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13/15 September 2006

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Development Proposals

- Rule change proposals
- Provision of participant information
- Future development



Publication of SRC information

- Standby Residual Check Notices via Comit
 - publication of the Capacity Residual
- will provide the energy and reserve margins
- all trading periods in scheduling period



Variable Reserves rule change

- increases absolute value and relativities of SPD's constraint violation penalties (CVP's)
- ensures SPD will breach reserve constraint before breaching deficit energy constraint
- this will dispatch all available reserves
- ensures a non zero price for cleared reserve offers
- would not have changed 19th June price outcome



Spring Washer rule change

- a ratio test for High Spring Washer prices
- in final pricing, if ratio of highest nodal price to maximum cleared unconstrained energy offer price is ≥ 5
 - declare spring washer pricing event
 - relieve binding transmission constraint by greater of 1MW or 1%
- would have changed 19th June price outcome by a small amount
 - (MTI WKM constraint)



Demand Side Bidding & Forecasting

- proposed rule change
 - demand bidding replaced with:
 - central demand forecast + non conforming load bids
 - optional dispatchable demand bids
 - 2 schedules linking participant bids and offers directly to security and dispatch schedules and prices
 - improved pricing information
 - improved demand response signals
- benefits
 - enabler for demand response
 - basis of co-ordinated response in shortage of supply
 - basis for providing payment for dispatched demand



Frequency keeping selection

- frequency Keeping (CQAG)
 - improve frequency keeper selection
 - additional/better information to provide transparency
 - better information to understand possible price impact
 - no large gain in schedule information until co-optimised within SPD



Automatic frequency control

- supposed advantages in wholesale energy and ancillary services markets must be investigated
- problems not technical (AFC systems exist in other markets)
- AFC rules
- integration of ancillary and energy markets frameworks

