



Submission to the System Operator

**Security Policy Review:
Credible Event Management
Draft Scope and Methodology**

From

Contact Energy Limited

22 May 2009

Introduction

Contact Energy Limited (Contact) welcomes the opportunity to provide feedback to the System Operator on the Security Policy Review: Credible Event Management document dated May 2009.

Contact's comments on the draft document follow.

For any questions related to this submission, please contact:

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General Comments:

Contact commends the System Operator on this document, and its intention to undertake a substantive review. We only have a few minor comments to make:

1.1.2 Identify Risks: What “International planning and operational standards” will be reviewed and which ones are most relevant to the NZ situation?

1.4 Project schedule looks reasonable.

2.3 typo in second paragraph: An example of an automated scheme that will manage....

In Figure 2 the default quality targets should say “Frequencies within range” not “above targets”?

2.5 Distribution Planning and Operating Standards: greater emphasis should be given to the impact of distributors with respect to load shifting between GXP’s – which can impact (both positively and negatively) on security management and the uncertainty around regional versus national peak load control, due to RCPD load control behaviours.

3. Greater emphasis should be given to identification and quantification around wind generation and its impact with respect to the credible events identified in 2.2.

Appendix 2: Contact believes the VoLL of \$20,000/MWh is outdated and too low.

Manual system bullet point: typo “Time to close...”

FIR and SIR values seem too low – especially given the HVDC situation over the next 3 years.

Suggest the System Operator uses the P10, P90 approach to costs as per the UNI, USI and Winter Security initiatives and does a sensitivity test on these ranges.