



SFT Project Status Summary

1. Project Timeline

SFT is now being used to formulate constraints. The first trading period for which SFT generated constraints was 10am on 28 March 2011. The SFT go-live date has been met and this phase of the project has now been completed.

Whilst the project is now in wind-down phase, there are a couple of outstanding matters to complete. These are set out below.

2. Participant training

On 8 April 2011, there is an additional training session for participants who have not yet had the opportunity to attend any of our previously held workshops and meeting. The training will:

- explain the use of SFT
- describe how SFT is used to create constraints
- explain the circumstances and process for using manual constraints
- explain any changes to the System Operator's constraint processes with the introduction of SFT
- answer questions you have on the SFT constraint process

Several participants have registered to attend.

We are happy to continue to receive questions about SFT constraints generated in the schedules. Please direct your questions to system.operator@transpower.co.nz and we will undertake to respond as soon as possible.

3. Participant issues

There have been several issues raised during the course of the project that will need to be progressed beyond the life of the project. These and the proposed courses of action are detailed below:

Issue	Resolution	Contact person
<p>Retain the historical record of manual constraints for a defined period for participant access until they are familiar with the SFT constraints and the circumstances in which they could appear.</p>	<p>Historical constraints will be retained for 1 year on the SO website. The Policy Statement will be changed to reflect this requirement.</p>	<p>Phyllida Crawford – for Policy Statement (04) 495 6952</p> <p>Lynette Bell – for implementation (04) 819 7612</p>
<p>Retain the existing two week notification of new manual constraints where possible as this information is still valuable to participants for planning purposes.</p>	<p>The System Operator has amended the Policy Statement to provide the two weeks' notice but with a clarification that two weeks' notice is unlikely to be achieved in certain situations (noting that in any event constraint information will start to be published from a week out through the schedules). The information provided will include details of the constraint design and effect of the constraint. The list of constraints will be updated from time to time to reflect changes to ratings or stability limits.</p>	<p>Phyllida Crawford – for Policy Statement (04) 495 6952</p> <p>Lynette Bell – for implementation (04) 819 7612</p>
<p>New constraints published with the Weekly Dispatch Schedule (WDS) a week out don't give enough time for analysis of:</p> <ul style="list-style-type: none"> - significant changes to the grid (it is preferable to have information 6-9 months in advance) - outages that could have a significant impact on the grid 	<p>The System Operator will set up a separate project with the objective of identifying and resolving, in conjunction with key generator participants, constraint and other information requirements for new transmission equipment commissioning and major outages in advance of scheduling time.</p> <p>A project brief will be provided to participants by 21 April 2011</p>	<p>Lynette Bell (04) 819 7612</p>
<p>Review the possible mechanisms for identifying and highlighting constraints that were very sensitive to demand changes.</p> <ul style="list-style-type: none"> - Review the Near binding threshold - Generating two SFT runs to determine sensitivity - Using the difference in the demand schedule between runs to approximate and publish the sensitivity of the constraint to demand 	<p>The SO reviewed the options presented at a very high level and responded. The SO can undertake further investigation and development on any or all of the options but such development will be subject to the CAPEX process mandated by the System Operator Service Provider Agreement and industry indication of priorities.</p> <p>Participants and the SO to adopt a 'wait and see' approach to this issue and then determine if this is one they wish to take up. The problem can then be better defined, funding organised, and a solution implemented.</p>	<p>Kevin Small (04) 495 7174</p> <p>Fiona Abbott (04) 495 7156</p>