

MEUG weekly scorecard in the 7th week after Minzone breached

Indicator	Weekly change	Comment			
Inflows ¹	Negative (q<av.)	7 day inflows for SI and NI well below average.	SI 38%	NI 60%	NZ 43%
Lake levels ²	Negative (q↓.)	SI -5% Consistent with pessimistic NIWA outlook ³	NI -5%		
Transfers South	Positive	Transfers higher than prior weeks.			
Demand – Energy	Outlook negative	Daily peak D YTD 118.8 GWh/d (28-May). Last years peak on 19-Jun-07 was 131.3 GWh/d, +10.5% higher than the peak for 2008 to date			
Demand – NI Peak	Outlook negative	YTD (27-May) NI peak =4,163 MW	+7% to = 2007 peak 4,470 MW		
			+14% to = NWG ⁴ prudent peak 4752 MW		
		CEN re-commissioning of 100MW at NPPS will help meet NI peak demand. An update of NWG report on NI peak S/D likely soon.			
Forecast supply risk	Negative	≈700 GWh below Minzone and ≈400 GWh above Emergency Zone ⁵ . About 100 GWh closer to the Emergency Zone since last week. EC Riskmeter on “High” (level 4 of 6) – no change No change in EC spaghetti diagram forecast of 1 May ⁶ .			
1992 worst case	No change	SI storage less than last week. The date when using 1992 inflows would reach 500 GWh SI storage (blackouts might then start) is ≈5½ weeks ⁷ time, ie 7-July (last week f/cast 2-July).			
Spot prices	negative (p↑)	Haywards 7 day rolling average (\$/MWh)	21-May	28-May	% Δ
			288.15	293.90	+2%
		Haywards 12 month rolling average (\$/MWh)	w/e 18-May	w/e 25-May	% Δ
			83.59	87.55	+5%
Forward prices ⁸	Extremely negative (p↑)	[trade date]	22 May	29-May	% Δ
		June contract	289.75 [19/5]	412.50 [29/5]	+42%
		08 Q3 contract	200.00 [13/5]	385.00 [29/5]	+92%
Whirinaki	Positive (q↑) and negative f/cast(p)↑)	Week ending Whirinaki output (MWh).	21-May	28-May	% Δ
			4,388	7,998	+82%
		Offer price \$289/MWh. This week will reach \$301/MWh and by end of next week likely to be \$387/MWh ⁹ .			
Supplier initiatives	Positive	Supplier web site www.winterpower.co.nz started 27 May			
Public awareness	Positive	Coverage of above web site and 100MW at NPPS reignited interest			
Public action to save	Not known	Awareness high again, but do not know if being translated into savings			

SI lake storage continues to fall as inflows over the week were below average. The 5 largest suppliers launch of the winterpower web site has helped but MEUG today said more was needed to ask households to use power prudently or to give communities incentives to save. The storage outlook for the next few days is poor with little rain forecast. Whirinaki offer prices are likely to reach \$387/MWh within a week. MEUG today asked why we should see spot prices derived from diesel when if the market had been left alone, lower cost gas fired back-up plant would have been built.

Ralph Matthes
29th May 2008

¹ M-co hydrological daily summary as at 28 May 2008. MEUG subscribe to this and some graphs on www.winterpower.co.nz.

² Ibid

³ Refer http://www.niwa.cri.nz/ncc/seasonal_climate_outlook. Next NIWA 3 month outlook due at the end of May.

⁴ National Winter Group (NWG) 2008 report, Feb-08, <http://www.systemoperator.co.nz/?id=6107>

⁵ Refer EC Minzone 28 May 2008 <http://www.electricitycommission.govt.nz/opdev/secsupply/sos/status/minzone/index.html>

⁶ Refer <http://www.electricitycommission.govt.nz/pdfs/opdev/secsupply/sos/spaghetti-chart-1May08.pdf>

⁷ This worst case example assumes 1992 inflow sequences of (all numbers approximate) 20 GWh/d, SI D=50 GWh/d, HVDC transfers south=10 GWh/d, ∴ SI storage uses 20 GWh/d. As SI controlled storage as at 28-May was 1,209 GWh, then days left until 500 GWh SI storage = (1,290-500)/20 = 39.5 days. This is not the worst case – that would be when a CCGT was also lost for a long period.

⁸ Refer http://www.energyhedge.co.nz/ePublic/mtrade_mt_public_home

⁹ Refer RETP 27-May, <http://www.electricitycommission.govt.nz/pdfs/opdev/secsupply/pdfssecurity/RETP-27May08.pdf>