



MAJOR ELECTRICITY USERS' GROUP

21 June 2013

Dr John Rampton
General Manager Market Design
Electricity Authority

By email to submissions@ea.govt.nz

Dear John

Consultation Paper - Removal of technology-specific references from frequency keeping provisions

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Electricity Authority (EA) consultation paper¹ "Removal of technology-specific references from frequency keeping provisions" dated May 2013. Members of MEUG have been consulted in the preparation of this submission. This submission is not confidential.
2. Responses to questions in the consultation paper follow:

Question	MEUG response
1. Do you agree with the Authority's evaluation of the proposed amendments? If not, what alternative evaluation would you make, and why?	Agree that the proposed Code change is an appropriate low cost solution to remove barriers in the Code for non-generators to participate in the frequency keeping market. We agree with the evaluation of costs and benefits in section 3.3 of the consultation paper. The proposal could also promote "reliable supply of electricity to consumers" by increasing diversity of frequency keeping suppliers. This would further enhance the proposal relative to the assessment in appendix B of the consultation paper that this factor is "Not applicable."

¹ <http://www.ea.govt.nz/dmsdocument/14843> found at <http://www.ea.govt.nz/our-work/consultations/psocq/removal-of-technology-specific-references-from-frequency-keeping-provisions/>

Question	MEUG response
2. Is there any alternative that you consider better meets the objectives of the proposal? If so, please describe the alternative and why you prefer it.	None that we are aware of.
3. What comment do you have on the proposed drafting to enable non-generators to participate in the frequency keeping market? If you disagree with what is proposed, please provide alternative drafting.	Agree with the proposed changes to the Code.

3. We look forward to considering the system operator's draft procurement plan to give effect to these proposed Code changes in due course.

Yours sincerely



Ralph Matthes
Executive Director