

TRANSMISSION ADVISORY GROUP

1 May 2007

TAG Workplan –2007

This paper presents the finalised TAG workplan for 2007.

Introduction

1. The Government Policy Statement on Electricity Governance (October 2006) (GPS) indicates that the Government expects the Electricity Commission (Commission) to make extensive use of the advisory groups wherever possible to develop industry arrangements and make recommendations concerning regulations and rules.
2. Over the last 12 months, TAG provided valuable advice to the Commission, particularly in relation to the benchmark agreement and related work streams.
3. At its 1 February 2007 meeting, the TAG considered how it could best contribute to the transmission work stream tasks for 2007 as well as other areas in which TAG considered it could add value. Following this discussion the Chair and the Senior Advisor prepared a draft TAG workplan.
4. As stated in the TAG Terms of Reference, the workplan must be agreed by the Commission Board (Board). The draft TAG workplan was presented to the Board for approval at the 14 March 2007 Board meeting. The Board:
 - discussed the workplan with the TAG Chair and the Senior Advisor and provided some feedback; and
 - delegated authority to General Manager to approve the workplan.
5. On 26 March 2007, the Commission sought feedback from the TAG members on the 2007 TAG workplan by way of an e-mail.
6. Comments were received from one member. The feedback was general and related to doing the work rather than the formulation of the workplan.
7. On 11 April 2007, Commission staff presented the Commission's General Manager with a revised TAG workplan, having taken into account the feedback received from one of the TAG members and the Board's feedback.
8. The Commission's General Manager approved the workplan on the 11 April 2007.
9. The work plan has been refined further following comments received from TAG members at the 19 April 2007 TAG meeting.

10. The Commission's General Manager approved the revised TAG work plan on the 1 May 2007.

Purpose

11. The purpose of this paper is to present to provide the TAG members with the approved 2007 TAG workplan.

Role of TAG

12. The role of TAG is to:
 - assist the Senior Advisor to provide advice to the Board; and
 - provide advice to the Board.
13. Papers provided to TAG will largely be written by external consultants, who may be writing the papers on behalf of the Senior Advisor, or providing independent advice on a specific subject area.
14. Expert written contribution by individual members is welcome where this is relevant to specific issues under consideration by TAG. This material will be published as an attachment to the minutes at the meeting where it is presented or discussed.

Tasks

15. There are a number of tasks under the Transmission work stream where TAG's advice will be sought. Each of these tasks are discussed further below.

Benchmark Agreement (BA) and Interconnection Rules (ICRs)

16. TAG provided the Commission with valuable advice on the benchmark agreement over the last twelve months.
17. It is anticipated that the BA and ICRs will be recommended to the Minister in May 2007 and, if agreed to, will be added to the Electricity Governance Rules 2003 (Rules) in June 2007. Once the BA and ICRs are added to the Rules, Transpower will develop and provide the Commission with a draft connection code and outage protocol and a draft service levels for interconnection services.
18. TAG will be available to provide advice to Transpower during the development of the Outage Protocol and Connection Code but at Transpower's discretion.

19. The Commission would like TAG to undertake subsequent review of the draft Outage Protocol and Connection Code once they are submitted to the Commission. This is likely to be in early September 2007. In particular, the Commission expects to seek TAG's input:
 - once Transpower has provided the Commission with the draft Outage Protocol and Connection Code; and
 - to review key issues raised by submitters during the consultation process.

New Connections and Upgrades

20. The Commission would like TAG to work on the investigation of possible approaches for new connections and upgrades to existing connections.

GIT guidelines

21. The GIT guidelines task was delayed to allow for further discussion between the Commission and Transpower.
22. The Commission is considering extending the scope of this task to cover all grid related capital expenditure by Transpower.
23. The Commission will update TAG on its progress on this matter and seek TAG advice as the Commission considers appropriate.

GUP projects

24. The Commission expects to receive a new GUP from Transpower in late 2007. Details of the project in the GUP will be provided to TAG as appropriate.
25. The Commission would like TAG to contribute to this task in the following possible ways:
 - Identification, at Transpower's discretion, of potential technical alternatives at an early stage (ie before Transpower's submission of the proposal to the Commission).
 - Assessment of the process followed to develop and audit the proposal.
 - Possible review of the Summary of Submissions document following consultation.

2007 SOO

26. The Commission is required, under section III of part F to publish a SOO at least every two years.
27. The Commission would like TAG to:
 - comment on issues as the Senior Advisor considers appropriate; and
 - provide advice during the development of the SOO.

Financial Transmission Rights (FTRs)

28. The Hedge Market Development Steering Group (HMDSG) has been considering transmission hedges, of which FTRs are one such form.
29. The Commission would like TAG to gain an understanding of the interface with this HMDSG task and the wider transmission issues.

Other Issues

30. The Commission would like TAG to assist it, once the Commission has initiated the work, with:
 - the continuation to the Transmission Alternative Policy task; and
 - a review of the 'n-1' limb of the Grid Reliability Standards.

Timetable

31. In accordance with the subject material, the Commission proposes the following meetings for TAG for the remainder of 2007:
 - 17 May 2007
 - 28 June 2007
 - 9 August 2007
 - 20 September 2007
 - 1 November 2007
 - 13 December 2007

Recommendations

32. The Senior Advisor Transmission recommends that TAG note the workplan as set out above.