

4 June 2026

James Kilty
Chief Executive
Transpower
PO Box 1021
WELLINGTON 6011

Sent via email: system.operator@transpower.co.nz

Dear James

System Operator Policy Statement review

1. The Major Electricity Users' Group (MEUG) welcomes the opportunity to provide a brief submission to Transpower on its consultation paper "*System Operator Policy Statement Review*"¹ published in May 2026.
2. This submission does not contain any confidential information and can be published on Transpower's website unaltered. Members may lodge separate responses.

Support for amendments to Policy Statement

3. MEUG's supports Transpower's regular review of the System Operator Policy Statement, in line with the two-yearly requirement set out in the Electricity Industry Participation Code 2010. It is important that the Policy Statement provides clarity and remains fit for purpose for the changing electricity market. We are comfortable with the proposed amendments across the four main areas, as set out in the consultation paper:
 - Security Policy – Risk Management Policies: Introduction of a new credible event
 - Security Policy – Emergency Planning: Incorporation of the Low Residual Situations process
 - Dispatch Policy – Dispatch Schedule: Implementation of tie-breaking rules for generation allocation
 - Compliance Policy – Asset Capability Information: Addition of direct (grid-connected) consumers and other large (embedded) consumers.²
4. We consider that Transpower has run robust consultation processes on all these areas to ensure that stakeholders have had the opportunity to review the proposed changes and provide feedback. MEUG also endorses Transpower taking the opportunity to make wording and typographical changes for consistency and clarity, as discussed in section 3.5 of the consultation paper. We hope that these amendments can be progressed and approved as soon as is practicable.

¹ [System Operator Policy Statement Review](#), May 2026, Transpower

² As summarised on page 4 of the consultation paper.

5. The amendment of most impact to MEUG members is the changes around asset capability information that will be introduced for direct connections and other large loads. We agree that all large parties, regardless of their role in the sector (supply / demand), who can impact and influence the quality and performance of the electricity network should be required to meet a set of minimum standards, including reporting. There is also a change in the types of loads now connecting to the system, such as the electrode boilers and data centres noted in the consultation paper, that need to be properly considered. This amendment ensures a consistent and reliable electricity supply for all those consumers and businesses reliant on electricity across the country.
6. Transpower has identified three areas of importance to the System Operator when considering the impact of direct connections and other large consumers on the system: fault ride through capability, load variability and load at single risk of trip.³ We encourage the System Operator to make sure that any information required by direct connections is tailored to the specific consumer (not simply an extension of information required from other participants) and is proportion to the type and scale of the load. There will no doubt be a cost to consumers to provide this information, so it is important that the benefits outweigh the costs, it provides the System Operator with the insights it requires, and the amendments are workable in practice. MEUG encourages Transpower to continue its discussions with individual direct connections and other large consumers to ensure this amendment can be implemented smoothly and effectively.

Support for potential future improvements

7. MEUG support's the two areas of potential future developments to the Policy Statement that Transpower has proposed in the consultation paper. We consider that it is a prudent approach to formalise the purpose of the New Zealand Generation Balance (NZGB) arrangements and consider that Transpower has suggested a good balance of the high-level requirements being in the Code, while more detailed information specified outside the Code.
8. MEUG also supports Transpower's recommendation to modernise the language in the Policy Statement. It is important that all Code requirements for Transpower and market participants are clear and accurate, easily interpreted and reflect current operating conditions and technology. We consider that this work should be undertaken after the completion of any existing high priority work required to ensure that the electricity system is well positioned for winter 2026 / potential dry periods.

Next steps

9. If you have any questions regarding our submission, please contact MEUG on 027 472 7798 or via email at karen@meug.co.nz.

Yours sincerely



Karen Boyes
Major Electricity Users' Group

³ Proposed clause 108.5 of the Electricity Industry Participation Code 2010.