

Subject **Responses following submissions –
Guidelines for determining regional critical contingencies**

Date **28 February 2014**

Introduction and purpose

Draft guidelines for determining regional critical contingencies were released for consultation on 12 February and closed on 26 February 2014. Four submissions were received:

- Genesis Energy;
- Greymouth Gas’
- Mighty River Power; and
- Vector Limited.

The submissions were largely supportive of the draft guidelines.

A few issues of clarification were raised, and this paper addresses those issues.

Scenario 3

Some questions were raised regarding how scenario 3 would play out in reality, so the explanatory text has been augmented to clarify the assumptions underpinning the analysis.

Completeness

The consultation paper asked submitters to consider whether the guidelines covered the scenarios that are reasonably representative of the situations that may emerge, and those that responded replied yes to this question. No submitters offered additional scenarios that they wanted included.

Of course, it must be remembered that the guidelines are not the only thing which the CCO considers in making a determination. First and foremost is the definition in the regulations, the guidelines provide secondary guidance. If it turns out that the guidelines are not applicable to the particular

situation that arises, then the CCO will have to use its own judgement in determining the status of the contingency.

Regional becoming non-regional contingency

One submission asked for an example where a regional contingency gets worse and a critical contingency notice is given. If there is a regional critical contingency underway, then there will already have been a notice given by the critical contingency operator (CCO) declaring the critical contingency. However, it is possible for a regional critical contingency to turn into a non-regional contingency.

One such possibility would be if a regional contingency were compounded by the failure of a large gas production station. For example, a break in the Maui pipeline could precipitate a regional critical contingency, as outlined in Scenario 1 in the guidelines. Subsequent to that event, suppose an event occurred that caused an outage at the Pohokura production station, and this outage caused a loss of gas pressure in the part of the transmission system south of the original pipeline damage, leading to curtailment directions by the CCO. Now there has been a substantial reduction to the supply of gas in all parts of the transmission system (45(1)(a)); and there has been isolation from significant gas supply on the system north of the pipeline break but not on the part south of the break (45(1)(b)).

Would contingency imbalances make sense? In this case, it is likely that there is a mismatch between those customers who are still able to consume gas, by virtue of their locations on the pipeline and their priority in the curtailment bands, and the producers who are still able to supply gas. Therefore, contingency imbalances would serve as a means of settling these inadvertent trades. The contingency would become non-regional.

Under r53(h), during a critical contingency, the CCO is required to consider whether any event has occurred that would revise the regional/non-regional determination given under r52A, and if so, publish a new determination. Regulation 75 outlines how revisions to the regional/non-regional determination are to be treated in the contingency imbalance calculations.

Illustrations

One submitter suggested that the illustrations in the guidelines could be more realistic. The schematics used in the paper were designed to illustrate the main production stations, points of supply, and pipelines in a condensed format. A larger scale map of the transmission system is available on the [CCO's website](#).