

## Wind forecasting and market integration – conclusions from the options consultation paper

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## 1. Wind forecasting

### 1. Wind forecasting: Introduction

- Scheduling (unit commitment) decisions
- Growing pressure on wind forecasting over time
- Commission has focussed on governance:
  - Who should do it?
  - Incentives for effort and innovative information

## 1. Wind forecasting: Overseas

- SOs usually do wind generation forecasting
- Overseas power systems have less flexibility
- Overseas SOs more directly involved in operating reserves

## 1. Wind forecasting: Consultation

- Proposed retaining decentralised forecasting
  - ... while noting the SO may develop its own forecast with potential to evolve into a central forecast
- 10 submissions
  - 7 said: keep decentralised approach
    - Trustpower: a centralised approach will eventually prevail
  - Meridian “agnostic”
  - Genesis advocated a move to central forecasting
  - NIWA: Go centralised for better development coordination

## 1. Wind forecasting: Conclusions

- Decision: keep decentralised approach
  - Incentives are OK. No pressing need for change.
  - But keep watch
- SO may develop its own forecast
- Publish scheduled wind at island level
- Quarterly report on wind farm accuracy

## 2. Market integration

## 2. Market integration: Conclusions

- Review of gate closure progressing
  - Gate closure can restrict balancing
  - Strong industry support for reducing gate closure
- Group dispatch - on hold for now

## 2. Market integration: Conclusions (continued)

- Offers and pricing
  - Treat wind as offered in final pricing.
  - Allow wind to offer at +ve prices?
  - Allow all generators to offer at -ve prices? A future direction?

## Summary

## Summary

- Wind forecasting
  - Keep a decentralised approach
  - But maintain watch
  - SO may develop its own information
- Market integration
  - Gate closure review
  - Potential changes to offers and pricing

The End