

Transpower WBOP RFP online workshop notes

What	Shaping a successful flex RFP for WBOP. A workshop hosted for Transpower.
When	20 January 2026
Where	Virtual
Who	20 people from: Auckland University, Aotea Electric, Enel X, EWI energy, EECA, Gridsmart, Northpower, Our Energy, Powerco, Powerhub, Simply Energy, Transpower and Vector.

These are workshop notes. Not minutes or a transcript. The purpose is to record the insights and actions emerging from the workshop on 20 January 2026. The intent of the workshop was for sharing and learning about different points of view, no points of discussion are considered binding in any form.

These notes cover:

- Welcome and reminders
- WBOP RFP context
- Project considerations
- RFP considerations
- Technical considerations
- Observations, actions and next steps

Welcome and reminders

The welcome outlined the workshop purpose and expectations, reminded attendees of their obligations under the Commerce Act 1986 and explained that the notes of the session would be prepared to record questions and key discussion points.

WBOP RFP context

Transpower's Flexibility Services team described the goal of the session to both share the learnings, challenges and ideas on how to develop a robust approach to procuring and delivering non-transmission solutions (NTS).

Transpower wants its NTS requests to support and accelerate the uptake of flex and would use the session to inform its upcoming Western Bay of Plenty (WBOP) request for proposal (RFP) and future processes.

Transpower noted that previous RFPs have not been effective (for various reasons), and that the concerns raised about these processes is acknowledged. For the WBOP process, Transpower worked closely with the Commerce Commission to develop a major capital (MCP) project process which addressed the concerns, including by adopting more relevant timeframes and ensuring an appropriate funding envelope.

The WBOP NTS project involves 2 stages, starting with an RFP (documents released late February or early March) and then contracting in late 2026 or early 2027.

NTS are sought for 2 locations: up to 40 MW at Tauranga (by 2029) and up to 10 MW at Te Matai (by 2030). Transpower noted the flex volume required was indicative and could be subject change pending load forecast updates.

The RFP documents would provide more details, including indicating periods flex was expected to be needed for deployment during the year.

Project considerations

Transpower noted it has undertaken extensive analysis involving the various internal divisions to estimate programme costs, the real cost of postponing the infrastructure build (including escalation, particularly of key long lead time equipment, and compounding interest), and establishing stop/restart points in the project schedule based on 2029/2030 need dates.

The group shared perspectives about the flex options in the two target locations:

- the load in the area may make 40MW a challenging amount to obtain if just relying on load, but a mix of load and new resources (e.g. batteries) is possible, though new assets would increase costs.
- flex options are not cookie cutter. They will depend on local context, including customer types, economic activity and state of electrification of fossil energy sources (at households and businesses)
- new loads are a great opportunity because it is easier to embed flex before operations are underway than trying to retrofit activities. It was observed that the Tauranga GXP is seeing new growth, while Mount Maunganui has established industrial load. Convincing customers to invest in flex from the outset is easier when able to provide a long-term view of the value proposition.
- Powerco – the local distributor – is managing capacity/peak demand through flexible connections which enable a connection in return for flexing during congested periods. The customer is connected and avoids connection/upgrade costs. It was noted that an unresolved question is whether these customers be eligible for further rewards for flexing?

Transpower is coordinating closely with Powerco, but the group heard that practical aspects of distribution and transmission orchestration are not yet developed. The goal is to ensure flexibility solutions are complementary. Transpower recognised a potential need for an evergreen NTS registration portal.

RFP considerations

The RFP will be seeking a minimum 1-year deferral of the Grid upgrade, though longer duration solutions will be considered. The RFP will likely be open for four months from late February or early March. A key driver for the RFP timeframe is the cut off later in the year for ordering major equipment to have it available in time.

- The group discussed that a record of flex 'available to the system' (resources, owners and capability) would likely make procurement and recruitment easier. It would support a more "evergreen" procurement approach and eventually might negate the need for an RFP process.
- Load-based flexibility is case-by-case and requires 3 to 6 months of customer engagement to get agreement to participate. The customer (who owns the flex) engagement process is the most time-consuming aspect of responding to an RFP. The key initial hurdle is helping people be comfortable with the technical aspects of turning equipment off, identifying the parameters of flexibility and highlighting the commercial benefits.
- Having clarity about the commercial benefits to the customer is very important. This requires clarity about the financial rewards, contract length, and flex response, e.g., a contingent response (being on standby) is more attractive than a "blunt scheduled response" for load perspective, to minimise operational impact.
- Transpower is proposing a "secure programme product" for the NTS need, which would involve a monthly availability fee and an event payment for scheduled or seasonal periods. They noted that secure programs typically involve a higher cost per megawatt-hour and consequences for non-performance to ensure reliability (see technical considerations for non-performance discussion). This payment structure was endorsed.
- Longer contract terms are preferred to enable amortisation of initial set up costs. The regulatory approval is based on a single year of delay. Transpower discussed that they would be prepared to engage with the Commerce Commission and seek additional funds if an economic opportunity to defer capital for longer than 12 months is demonstrated.
- The group noted that one-year contracts are not sufficient to underpin investments in batteries etc, and the project-by-project approach makes it hard for flex suppliers to justify investment in the recruitment and retention to grow the stock of flex resources. A coordinated and long-term commitment from multiple parties – flex users and regulators – is required.
- A rolling procurement process, e.g., 6-monthly or annual requests/auctions, would be valuable to aid customer planning. This could look like a mix of base-line long term contracts and a rolling auction for top up flex to manage risk and address customer engagement/investment lead times.
- Transpower has not yet firmed up the flex product parameters, though the use case requires a firm commitment with calls in May to September each year (reference heat map).
- The group noted that not all flex is created equal, emphasising the need for clear definitions of what "flex" means, such as the duration of availability (hours, months, all day) and whether it is a contingent response or a forecast. Clear product definitions/parameters are crucial to identifying what resources are truly available and managing the "dance around value" – e.g., there is a difference in value and cost of scheduled and contingent flexibility.

The group noted value of Transpower providing clarity of the factors underpinning decisions to contract flex (or not) following the RFP, including what truly matters to them and what the "red lines" are, particularly when deciding between a grid build solution or an NTS. The group agreed information that demonstrates a fair process and the NTS was or was not the most cost-effective solution would support ongoing flex investments by identifying physical and commercial decision criteria.

Technical considerations

Transpower sought feedback on several technical aspects of the programme and product design.

- **Performance thresholds.** Transpower sought advice on the performance threshold for participating in a 'secure' product. Previously used a minimum of 80% performance, but they are considering a 90% threshold for a secure product.
- **Baseline measurement.** Transpower sought advice on baselining methods, noting several options are available to avoid including fake flex. The group noted consistency in methodologies used by Transpower and distributors is preferred, though multiple baselining methods may be necessary due to the variety of load types. This indicates the need for a consistent 'horses for courses' approach rather than attempting to pick a winner.
 - The Localflex programme allows for agreed baselines and the proposal of alternative baselines. Another approach is the Australian WDRM which offers a selection of baselines with criteria for suitability.
- The group noted a guidebook setting out the product specifications and participation requirements would be a valuable tool for prospective NTS providers. Transpower noted it had previously developed an internal specification set for its previous demand response programme and would consider developing a similar guidebook for the proposed secure product to detail technical and participation requirements. If developed, a flex participation agreement and guidebook would be part of phase two of the WBOP RFP (late 2026).
- Other technical and design considerations
 - a product design consideration is to provide load participants with an operating envelope to cap maximum demand during a constraint winter to ensure participants are not penalised if their load is naturally low during the period.
 - validation testing could involve a single test event prior to a winter period and, in the absence of an event call, a sense check similar to the reserves market, such as an annual or twice-yearly test, noting that monthly testing would be too onerous. Transpower would likely need to pay for test or validation events and would factor this into the overall program.
 - measurement using a certified revenue meter is preferred. The group noted the Localflex programme allows measurement using non-revenue measurement devices. More consideration about this topic is required.
- **Operational coordination and priority of services.** Arrangements for the coordination and orchestration of flex deployment by Transpower and Powerco have not been determined but is front of mind for both.

Observations, actions and next steps

These are observation, actions and next steps resulting from the discussion.

We want consistent and standard approaches to technical parameters for each programme or product. This would provide the information flex suppliers, households, businesses etc need for their business cases to invest in flex capability.

The goal should be a guidebook for each product to achieve consistency across locations and time. An example is the (draft) Localflex rulebook being developed for 3 distribution products/programmes. Transpower accepted an offer to review the rulebook to inform the product specifications for the WBOP programme.

We need to better understand how the use of flex will be coordinated and orchestrated to ensure owners (households and businesses) are able to maximise value without adverse physical impacts on the network and system.

The WBOP RFP is a first step to developing a robust, repeatable process for Transpower to obtain NTS. Success is not contracting flex. It is identifying a process for contracting flex that is easy and routine for the user and providers.

Transpower wants further suggestions and advice on the process, noting the recently announced proposed major capital project for the Upper South Island includes a flex programme.