

# Electricity Industry Participation Code 2010

## Part 6 Connection of distributed generation

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## 6.1 Contents of this Part

This Part specifies—

- (a) a framework to enable connection of **distributed generation** where connection is consistent with **connection and operation standards**; and
- (b) in Schedule 6.1, processes (including time frames) under which **distributed generators** may apply to **distributors** for approval to **connect distributed generation** (including the information to be exchanged and the criteria for approval); and
- (c) in Schedule 6.2, the **regulated terms** that apply to the connection of **distributed generation** in the absence of contractually agreed terms; and
- (d) in Schedule 6.3, a default dispute resolution process for disputes related to this Part; and
- (e) in Schedule 6.4, the pricing principles to be applied for the purposes of this Part; and
- (f) in Schedule 6.5, prescribed maximum fees.

Compare: SR 2007/219 r 4

## 6.2 Purpose

The purpose of this Part is to enable connection of **distributed generation** if connection is consistent with **connection and operation standards**.

Compare: SR 2007/219 r 3

## 6.3 Distributors must make information publicly available

- (1) The purpose of this clause is to require each **distributor** to make certain information publicly available to enable connection of **distributed generation** where consistent with **connection and operation standards**.
- (2) Each **distributor** must make publicly available, free of charge, from its office and Internet site,—
  - (a) application forms for connection of **distributed generation**; and
  - (b) the **distributor's connection and operation standards**; and
  - (c) a copy of the **regulated terms**, together with an explanation of how the **regulated terms** will apply if—
    - (i) approval to **connect distributed generation** is granted; and
    - (ii) the **distributor** and the **distributed generator** do not enter into a connection contract outside the **regulated terms**; and
  - (d) a statement of the policies, rules, or conditions under which **distributed generation** is, or may be, curtailed or interrupted from time to time in order to ensure that

- the **distributor's** other **connection and operation standards** are met; and
- (e) the application fees specified by the **distributor** in respect of applications for connection of **distributed generation**.
- (3) The application forms referred to in subclause (2)(a) must specify the information (including any supporting documents) that must be provided with an application.

Compare: SR 2007/219 r 6

#### **6.4 Process for obtaining approval to connect**

- (1) Schedule 6.1 applies if a **distributed generator** wishes to apply for approval to **connect distributed generation** (whether on the **regulated terms** or outside the **regulated terms**).
- (2) A **distributor** must grant approval to **connect distributed generation** if and as required to do so by Schedule 6.1.
- (3) A **distributor** cannot contract out of the provisions of Schedule 6.1.

Compare: SR 2007/219 r 7

#### **6.5 Connection contract outside regulated terms**

If a **distributor** and a **distributed generator** who wishes to apply for approval to **connect distributed generation** enter into a connection contract outside the **regulated terms** for the connection of **distributed generation**,—

- (a) their rights and obligations in respect of the connection of the **distributed generation** are governed by that contract, and accordingly the **regulated terms** do not apply; and
- (b) a breach of the terms of that contract is not a breach of this Code.

Compare: SR 2007/219 r 8

#### **6.6 Connection on regulated terms**

- (1) Schedule 6.2 sets out the **regulated terms** for the connection of **distributed generation**.
- (2) The **regulated terms** apply if a **distributor** and a **distributed generator** who wishes to apply for approval to **connect distributed generation** do not enter into a connection contract outside the **regulated terms** by the expiry of the period for negotiating a connection contract under clauses 9 or 24 of Schedule 6.1.
- (3) If the **regulated terms** apply,—
- (a) the parties' rights and obligations in respect of the connection of the **distributed generation** are governed by the **regulated terms**; and

- (b) a breach of the **regulated terms** is not a breach of contract.
- (4) Despite this clause, the **distributor** and the **distributed generator** who wishes to apply for approval to **connect distributed generation** may at any time, by mutual agreement, enter into a connection contract outside the **regulated terms** that will apply instead of the **regulated terms**.

Compare: SR 2007/219 r 9

### 6.7 Extra terms

- (1) The parties' rights and obligations in respect of a connection on the **regulated terms** are also governed by any other terms and conditions (**extra terms**) that—
  - (a) were made publicly available under clause 6.3(2)(d) in a statement of the terms and conditions that would apply to **distributed generation** if there is congestion on the **distribution network**; or
  - (b) cover any other incidental matters (for example, invoicing procedures) if—
    - (i) the matters are not covered by the **regulated terms**; and
    - (ii) the other matters are reasonable terms and conditions that either were proposed by the **distributor** during the 30 **business day** negotiation period as part of a connection contract outside the **regulated terms** or are terms that would be implied by law if the connection was under a contract outside the **regulated terms**; and
    - (iii) the other terms and conditions do not contradict any of the **regulated terms**.
- (2) In this Part, if the parties have agreed to change all or any part of 1 or more of the **regulated terms** as part of a binding contract, the resulting contract is, in total, a contract outside the **regulated terms** for the purposes of this Part.

Compare: SR 2007/219 r 10

### 6.8 Dispute resolution

- (1) Schedule 6.3 applies—
  - (a) to disputes between a **distributed generator** and a **distributor** arising from an allegation that a party has breached any of the **regulated terms** that apply under clause 6.6(2); and
  - (b) if there is any other dispute between a **distributor** and a **distributed generator** about an alleged breach of any of the other provisions of this Part.

- (2) However, Schedule 6.3 does not apply to disputes between a **distributed generator** and a **distributor**—
- (a) arising from an allegation that a party has breached any of the terms of a connection contract outside the **regulated terms**; or
  - (b) arising from an allegation that a party has breached any of the extra terms referred to in clause 6.7(1); or
  - (c) that the **distributed generator** and the **distributor** have agreed should be determined by any other agreed method (for example, under any dispute resolution scheme under section 95 of the **Act**).

Compare: SR 2007/219 r 11

### 6.9 Pricing principles

Schedule 6.4 applies in accordance with—

- (a) clause 20 of Schedule 6.2; and
- (b) clause 4 of Schedule 6.3.

Compare: SR 2007/219 r 12

### 6.10 Application of this Part to persons other than distributors and distributed generators

- (1) This Part applies, in so far as it is applicable, to—
- (a) a **retailer** with whom a **distributor** or a **distributed generator** has entered into a contract (for example, a use of systems agreement) that provides for the **retailer** to have any of the applicable rights, or carry out any of the obligations, that are regulated by this Part; and
  - (b) a person to whom any of the **distributor's** or the **distributed generator's** obligations under the **regulated terms** are transferred, or a person who assumes any of those obligations.
- (2) This Part applies to the other persons referred to in subclause (1)(a) and (b) in the same way in which it applies to the **distributor** or the **distributed generator**, as the case may be.
- (3) This clause does not limit the rights and obligations of the **distributor** and the **distributed generator** under this Part.

Compare: SR 2007/219 r 13

### 6.11 Distributors must act at arms length

A **distributor** must use, in respect of all **distributed generators**, the same reasonable efforts in processing and considering applications for the connection of **distributed generation**, and in connecting **distributed generation**, regardless of whether—

- (a) the **distributor** owns or has a beneficial interest in the **distributed generator**; or
- (b) the proposed generation is owned by the **distributor's** associate or by another **distributed generator**.

Compare: SR 2007/219 r 14

#### **6.12 This Part does not affect rights and obligations under Code**

This Part does not affect any rights or obligations of a **distributor** or a **distributed generator** under any other clause in this Code.

Compare: SR 2007/219 r 15

#### *Transitional provisions*

#### **6.13 Regulations do not apply to earlier connections**

- (1) This Part does not apply in relation to, or affect, any **distributed generation** that was connected under a contract entered into before 30 August 2007, except to the extent that the contract has expired.
- (2) For the purpose of subclause (1), expired does not include cancelled by the **distributor** before the date on which the contract would otherwise have expired.

Compare: SR 2007/219 r 17

# Schedule 6.1

## Process for obtaining approval to connect

cl 6.4

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### Part 1

#### Applications for connection and operation of distributed generation 10 kW or less in total

##### **1 Contents of this Part**

- (1) This Part of this Schedule applies only to **distributed generation** that is only capable of generating **electricity** at a rate of 10 kW or less in total.
- (2) This Part of this Schedule provides for a 1-stage application process.

Compare: SR 2007/219 clause 1 Schedule 1

##### *Application process*

##### **2 Distributed generator wishing to connect must apply**

- (1) A **distributed generator** who wishes to **connect distributed generation** that is only capable of generating **electricity** at a rate of 10 kW or less in total must apply to the **distributor**.
- (2) The **distributed generator** must apply by—
  - (a) using the application form provided by the **distributor** that is publicly available under clause 6.3(2)(a); and
  - (b) providing any information in respect of the **distributed generation** proposed to be connected that is—
    - (i) referred to in subclause (3); and

- (ii) specified by the **distributor** under clause 6.3(3) as being required to be provided with the application.
- (3) The information may include the following:
  - (a) the full name and address of the owner or operator of the **distributed generation** and the contact details of a person that the **distributor** may contact regarding the **distributed generation**:
  - (b) whether the proposed connection is a new connection or an increase in **capacity** for an existing connection and evidence of the size (nominal **capacity**) of the **generating unit**, including the name plate rating (if known) or other suitable evidence that the **generating unit** is or will be only capable of generating **electricity** at a rate of 10 kW or less, including,—
    - (i) if the proposed connection is a new connection, the size (nominal **capacity**) of the total generation:
    - (ii) if the application is for an increase in **capacity** for an existing connection, both the size (nominal **capacity**) of the additional generation and the aggregate size (nominal **capacity**) of all devices at the **point of connection**:
  - (c) type of **distributed generation** (for example, solar photovoltaic):
  - (d) proposed location of the **distributed generation** and when the **distributed generation** is likely to be connected:
  - (e) technical specifications of the **distributed generation** and **associated equipment**, including—
    - (i) technical specifications of equipment that allows the **distributed generation** to be **disconnected** from the **network** on loss of mains voltage:
    - (ii) manufacturer's rating of equipment:
    - (iii) number of phases:
    - (iv) proposed **point of connection** to the **distribution network** (for example, the **ICP** number and street address):
    - (v) details of either or both of any inverter and battery storage:
    - (vi) details of any load at the proposed **point of connection**:
    - (vii) details of the connected voltage (for example, 415 V or 11 kV):
  - (f) information showing how the **distributed generation** complies with the **distributor's connection and operation standards**:

- (g) any additional information or documents that are reasonably required.
- (4) The application must be accompanied by the application fee specified by the **distributor**, which must not exceed the maximum fee prescribed in Schedule 6.5.
- (5) The **distributor** must, within 5 **business days** of receiving an application, give written notice to the applicant advising whether or not the application is complete.

Compare: SR 2007/219 clause 2 Schedule 1

### **3 Distributor's decision on application**

- (1) A **distributor** must, within 30 **business days** after the date of receipt of a completed application made in accordance with clause 2, give notice in writing to the applicant stating whether the application is approved or declined.
- (2) A **distributor** must approve an application to **connect distributed generation** if—
  - (a) the application has been properly made in accordance with Part 6 of this Code; and
  - (b) the information provided in the application would reasonably support an assessment by the **distributor** that—
    - (i) the **distributed generator** will comply at all times with the requirements of the Health and Safety in Employment Act 1992; and
    - (ii) the **distributed generation** will comply at all times with the **Act**, and this Code; and
    - (iii) the connection of the **distributed generation** would be consistent with the **distributor's connection and operation standards**.
- (3) A notice stating that an application is declined must be accompanied by the following information:
  - (a) detailed reasons of why the application has been declined and, if the **distributed generator** makes a new application, the steps that the applicant can take to ensure connection; and
  - (b) the default process under Schedule 6.3 for the resolution of disputes about an alleged breach of the **regulated terms** or any other provision of Part 6 of this Code.

Compare: SR 2007/219 clause 3 Schedule 1

### **4 Extension of time by mutual agreement for distributor to process application**

- (1) The **distributor** may seek an extension of the time specified in clause 3(1) by which the **distributor** must give notice in writing stating whether the application is approved or declined.

- (2) The **distributor** must do this by notice in writing to the **distributed generator** specifying the reasons for the extension.
- (3) The **distributed generator** who made the application may grant an extension of up to 20 **business days** and must not unreasonably withhold consent to an extension.

Compare: SR 2007/219 clause 4 Schedule 1

## **5 Distributed generator must give notice of intention to proceed**

- (1) If the **distributor** advises that the **distributed generator's** application to **connect distributed generation** is approved, the **distributed generator** must provide written notice to the **distributor** confirming whether or not the **distributed generator** intends to proceed with the connection and, if so, confirming the details of the generation to be connected.
- (2) The **distributed generator** must give the notice within 10 **business days** after the **distributor** gives notice of approval to **connect distributed generation**, or within a longer period of time mutually agreed between the **distributor** and the **distributed generator**.
- (3) The **distributor's** duties under Part 6 of this Code arising from the application for connection of **distributed generation** no longer apply if the **distributed generator** fails to give notice to the **distributor** within the time limit specified in subclause (2).
- (4) Subclause (3) does not prevent the **distributed generator** from making a new application for connection of **distributed generation** under Part 6 of this Code.

Compare: SR 2007/219 clause 5 Schedule 1

### *Connection process*

## **6 30 business days to negotiate connection contract if distributed generator notifies intention to proceed**

- (1) If a **distributed generator** whose application to **connect distributed generation** is approved gives notice under clause 5, the **distributor** and the **distributed generator** have 30 **business days** (starting on the date on which the **distributor** receives the notice) during which they must, in good faith, attempt to negotiate a connection contract.
- (2) The **distributor** and the **distributed generator** may, by mutual agreement, extend the time specified in subclause (1) for negotiating a connection contract.

Compare: SR 2007/219 clause 6 Schedule 1

**7 Testing and inspection**

- (1) A **distributed generator** whose application to **connect distributed generation** is approved must test and inspect its **distributed generation**.
- (2) The **distributed generator** must give adequate notice of the testing and inspection to the **distributor**.
- (3) The **distributor** may send qualified personnel to the site to observe the testing and inspection.
- (4) The **distributed generator** must provide the **distributor** with a written test report when testing and inspection is complete, including suitable evidence that the **metering installation** complies with the **metering standards** in this Code.
- (5) The **distributed generator** must pay any fee specified by the **distributor** for observing the testing and inspection, up to the maximum fee prescribed in Schedule 6.5.

Compare: SR 2007/219 clause 7 Schedule 1

**8 Connection of distributed generation outside regulated terms if contract negotiated**

If the **distributor** and the **distributed generator** whose application to **connect distributed generation** is approved enter into a connection contract before the period for negotiating a connection contract under this Part of this Schedule expires,—

- (a) the **distributor** must **connect the distributed generation** in accordance with that contract as soon as practicable; and
- (b) the **distributed generator** must complete the testing and inspection under clause 7.

Compare: SR 2007/219 clause 8 Schedule 1

**9 Connection of distributed generation on regulated terms if contract not negotiated**

If the **distributor** and the **distributed generator** whose application to **connect distributed generation** is approved do not enter into a connection contract before the period for negotiating a connection contract under this Part of this Schedule expires,—

- (a) the **distributor** must **connect the distributed generation** on the **regulated terms** as soon as practicable after the expiry of that period; and
- (b) the **distributed generator** must complete the testing and inspection under clause 7.

Compare: SR 2007/219 clause 9 Schedule 1

Part 2  
Applications for connection and operation of  
distributed generation above 10 kW in total

**10 Contents of this Part**

- (1) This Part of this Schedule applies only to **distributed generation** that is capable of generating **electricity** at a rate above 10 kW in total.
- (2) This Part of this Schedule provides for a 2-stage application process.

Compare: SR 2007/219 clause 10 Schedule 1

*Initial application process*

**11 Distributed generator wishing to connect must make initial application and provide information**

- (1) A **distributed generator** who wishes to **connect distributed generation** that is capable of generating **electricity** at a rate above 10 kW in total must first make an **initial application** to the **distributor**.
- (2) The **distributed generator** must make the **initial application** by—
  - (a) using the application form provided by the **distributor** that is publicly available under clause 6.3(2)(a); and
  - (b) providing any information in respect of the **distributed generation** proposed to be connected that is—
    - (i) referred to in subclause (3); and
    - (ii) specified by the **distributor** under clause 6.3(3) as being required to be provided with the application.
- (3) The information may include the following:
  - (a) the full name and address of the owner or operator of the **distributed generation** and the contact details of a person whom the **distributor** may contact regarding the **distributed generation**;
  - (b) whether the proposed connection is a new connection or an increase in **capacity** for an existing connection and evidence of the size (nominal **capacity**) of the **generating unit**, including the name plate rating (if known), including,—
    - (i) if the proposed connection is a new connection, the size (nominal **capacity**) of the total generation;
    - (ii) if the application is for an increase in **capacity** for an existing connection, both the size

- (nominal **capacity**) of the additional generation and the aggregate size (nominal **capacity**) of all devices at the **point of connection**:
- (c) type of **distributed generation** (for example, solar photovoltaic):
  - (d) proposed location of the **distributed generation** and when the **distributed generation** is likely to be connected:
  - (e) technical specifications of the **distributed generation** and **associated equipment**, including—
    - (i) technical specifications of equipment that allows the **distributed generation** to be **disconnected** from the **network** on loss of mains voltage:
    - (ii) manufacturer's rating of equipment:
    - (iii) number of phases:
    - (iv) proposed **point of connection** to the **distribution network** (for example, the **ICP** number and street address):
    - (v) details of either or both of any inverter and battery storage:
    - (vi) details of any load at the proposed **point of connection**:
    - (vii) details of the connected voltage (for example, 415 V or 11 kV):
  - (f) information showing how the **distributed generation** complies with the **distributor's connection and operation standards**:
  - (g) the maximum **active power** injected (**MW** max):
  - (h) the **reactive power** requirements (**MVAr**s) (if any):
  - (i) resistance and reactance details of the **generating unit**:
  - (j) fault level contribution (**kA**):
  - (k) method of voltage control:
  - (l) single line diagram of proposed connection:
  - (m) means of **synchronisation** and connection and disconnection to the **network**, including the type and ratings of **circuit breaker** proposed:
  - (n) details of compliance with frequency and voltage support requirements as specified in this Code (if applicable):
  - (o) proposed periods and amounts of **electricity injections** into, and **oftakes** from, the **distribution network** (if known):
  - (p) any other information that is required by the **system operator**:
  - (q) any additional information or **documents** that are reasonably required.

- (4) The application must be accompanied by the application fee specified by the **distributor**, which must not exceed the maximum fee prescribed in Schedule 6.5.
- (5) The **distributor** must, within 5 **business days** of receiving an **initial application**, give written notice to the applicant advising whether or not the application is complete.

Compare: SR 2007/219 clause 11 Schedule 1

## **12 Distributor must provide information to distributed generator**

The **distributor** must provide the **distributed generator** who wishes to **connect distributed generation** with a copy of the following within 30 **business days** of receiving a completed **initial application**:

- (a) information about the **capacity** of the **distribution network**, including both the design **capacity** (including fault levels) and actual operating levels:
- (b) information about the extent to which connection and operation of the **distributed generation** may result in a breach of the relevant standards for safety, voltage, power quality, and reliability of supply to other connected parties:
- (c) information about any measures or conditions (including modifications to the design and operation of the **distribution network** or to the operation of the **distributed generation**) that may be necessary to address the matters referred to in paragraphs (a) and (b):
- (d) the approximate costs of any network-related measures or conditions identified under paragraph (c) and an estimate of time constraints or restrictions that may delay the connecting of the **distributed generation**:
- (e) information about any further detailed investigative studies that the **distributor** reasonably considers are necessary to identify any potential adverse effects on the system resulting from the proposed connection, together with an indication of—
  - (i) whether the **distributor** agrees to the **distributed generator**, or a suitably qualified agent of the **distributed generator**, undertaking those studies; or
  - (ii) if not, whether the **distributor** could undertake those studies and, if so, the reasonable estimated cost of the studies that the **distributed generator** would be charged:
- (f) information about any obligations to other parties that may be imposed on the **distributor** and that could

affect the **distributed generation** (for example, obligations to **Transpower**, in respect of other **networks**, or under this Code):

- (g) any additional information or documents that the **distributor** considers would assist the **distributed generator's** application:
- (h) information about the extent to which planned and **unplanned outages** may adversely affect the operation of the **distributed generation**.

Compare: SR 2007/219 clause 12 Schedule 1

### **13 Other matters to assist with decision making**

- (1) A **distributor** must provide, if requested by a **distributed generator** making an **initial application**, further information that is reasonably necessary to enable the **distributed generator** to consider and act on the information given by the **distributor** under clause 12.
- (2) The information that the **distributor** must provide under subclause (1) may include single line diagrams, equipment ratings, normal switch configurations (including fault levels), and protection system details relevant to the proposed **point of connection** of the **distributed generation** to the **distribution network**.
- (3) The **distributor** must provide the further information under this clause within 10 **business days** of the request being received.

Compare: SR 2007/219 clause 13 Schedule 1

### **14 Distributor and distributed generator must make reasonable endeavours regarding new information**

If a **distributor** or a **distributed generator** has given information under this Part of this Schedule and subsequently becomes aware of new information that is relevant to the application, the party who becomes aware of the new information must use reasonable endeavours to provide the other party with the new information.

Compare: SR 2007/219 clause 14 Schedule 1

### *Final application process*

### **15 Distributed generator must make final application**

- (1) A **distributed generator** who wishes to **connect distributed generation** must make a **final application**, within 12 months after receiving the information under clauses 12 and 13, if the **distributed generator** intends to proceed to **connect** to the **distribution network**.

- (2) The **distributed generator** must make the **final application** by—
- (a) using the **final application** form provided by the **distributor** that is publicly available under clause 6.3(2)(a); and
  - (b) providing the results of any investigative studies that were identified by the **distributor** under clause 12(e)(i) as to be undertaken by the **distributed generator** or the **distributed generator's** agent.

Compare: SR 2007/219 clause 15 Schedule 1

## 16 Application for connection

A **distributor** who receives a **final application** must use reasonable endeavours to notify in writing—

- (a) all persons who have made an **initial application** for connection of **distributed generation** to the particular part of the **distribution network** that the **distributor** considers would be affected by the connection of the **distributed generation** that is the subject of the **final application**; and
- (b) all **distributed generators** who have **distributed generation** above 10 kW in total connected on the **regulated terms** to the particular part of the **distribution network** that the **distributor** considers would be affected by the connection of the **distributed generation**.

Compare: SR 2007/219 clause 16 Schedule 1

## 17 Priority of final applications

- (1) This clause applies if—
- (a) a **distributor** receives a **final application** for connection to a **distribution network** (the **first application**); and
  - (b) the **distributor** receives another **final application**, within 10 **business days** after receiving the first application, for connection to a particular part of the **distribution network** that the **distributor** considers would be affected by the connection of the **distributed generation** that is the subject of the **first application**.
- (2) The **distributor**—
- (a) may consider the 2 or more **final applications** together as if they were competitive bids to use the same part of the **network**; and
  - (b) must consider the **final applications** in light of the purpose of Part 6 of this Code; and
  - (c) in giving reasons under clause 18 in the case of a **final application** that is declined, must set out the criteria

- used in making a decision that relates to paragraph (a) or (b).
- (3) In any other case in which a **distributor** receives more than 1 **final application** for connection to a similar part of the **distribution network**, the **distributor** must consider an earlier **final application** in priority to other **final applications**.
- (4) Subclause (3) does not limit clause 19.  
Compare: SR 2007/219 clause 17 Schedule 1

### **18 Distributor's decision on application**

- (1) A **distributor** must, within the time limit specified in clause 19, give notice in writing to the applicant stating whether the **final application** is approved or declined.
- (2) A **distributor** must approve a **final application to connect distributed generation**, subject to any conditions specified by the **distributor** that are reasonably required, if—
- (a) the application has been properly made in accordance with Part 6 of this Code; and
  - (b) the information provided in the application would reasonably support an assessment by the **distributor** that—
    - (i) the **distributed generator** will comply at all times with the requirements of the Health and Safety in Employment Act 1992; and
    - (ii) the **distributed generation** will comply at all times with the **Act** and this Code; and
    - (iii) the connection of the **distributed generation** would be consistent with the **distributor's connection and operation standards** (assuming that the **distributed generator** performs the conditions (if any) referred to in subclause (3)).
- (3) A notice stating that an application is approved subject to conditions must be accompanied by the following information:
- (a) a detailed description of the conditions (or other measures) that are conditions of connection, and what the **distributed generator** who wishes to **connect distributed generation** must do to comply with them;
  - (b) detailed reasons for those conditions (or other measures);
  - (c) a detailed description of the charges payable by the **distributed generator** who wishes to **connect distributed generation**;
  - (d) the default process for resolution of disputes under Schedule 6.3, if the **distributed generator** who wishes to **connect distributed generation** disputes all

or any of the conditions (or other measures) or charges payable.

- (4) A notice stating that an application is declined must be accompanied by the following information:
- (a) detailed reasons as to why the application has been declined and, if the **distributed generator** who wishes to **connect distributed generation** makes a new application, the steps that the applicant can take to ensure connection;
  - (b) the default process for resolution of disputes under Schedule 6.3.

Compare: SR 2007/219 clause 18 Schedule 1

## **19 Time within which distributor must decide final applications**

- (1) The written notice required by clause 18 must be provided within—
- (a) **45 business days** after the date of receipt of the **final application**, in the case of an application for **distributed generation** that is not capable of generating **electricity** at a rate of at least **1 MW**; or
  - (b) **60 business days** after the date of receipt of the **final application**, in the case of an application for **distributed generation** that is capable of generating **electricity** at a rate of at least **1 MW** but is not capable of generating **electricity** at a rate of at least **5 MW**; or
  - (c) **80 business days** after the date of receipt of the **final application**, in the case of an application for **distributed generation** that is capable of generating **electricity** at a rate of at least **5 MW** or above.
- (2) The **distributor** may seek 1 or more extensions of the time specified in subclause (1).
- (3) The **distributor** must do this by notice in writing to the **distributed generator** specifying the reasons for the extension.
- (4) The **distributed generator** who wishes to **connect distributed generation** may grant an extension of up to **40 business days** and must not unreasonably withhold consent to an extension.

Compare: SR 2007/219 clause 19 Schedule 1

## **20 Distributed generator must give notice of intention to proceed**

- (1) If the **distributor** advises that the **distributed generator's final application to connect distributed generation** is approved, the **distributed generator** must provide written notice to the **distributor** confirming whether or not the

- distributed generator** intends to proceed with the connection and, if so, confirming—
- (a) the details of the **distributed generation** to be connected; and
  - (b) that the **distributed generator** accepts all of the conditions (or other measures) that have been specified by the **distributor** under clause 18 as conditions of the connection.
- (2) The **distributed generator** must give that notice within 30 **business days** after the day on which the **distributor** gives notice of approval to **connect distributed generation**, or within a longer period of time mutually agreed between the **distributor** and the **distributed generator**.
- (3) If the **distributed generator** does not accept all of those conditions, but does intend to **connect distributed generation**, the **distributed generator** must—
- (a) give notice of the dispute within 30 **business days** after the day on which the **distributor** gives notice of approval to **connect distributed generation**; and
  - (b) give a notice under subclause (1) within 30 **business days** after the dispute is resolved.
- (4) The **distributor's** duties under Part 6 of this Code arising from the application for connection of **distributed generation** no longer apply if the **distributed generator** fails to give notice to the **distributor** of an intention to proceed with the connection within the time limits specified in this clause.
- (5) Subclause (4) does not prevent the **distributed generator** from making a new application for connection of **distributed generation** under Part 6 of this Code.

Compare: SR 2007/219 clause 20 Schedule 1

#### *Connection process*

- 21 30 business days to negotiate connection contract if distributed generator notifies intention to proceed**
- (1) If a **distributed generator** whose application to **connect distributed generation** is approved gives notice under clause 20, the **distributor** and the **distributed generator** have 30 **business days** (starting on the date on which the **distributor** receives the notice) during which they must, in good faith, attempt to negotiate a connection contract.
  - (2) The **distributor** and the **distributed generator** may, by mutual agreement, extend the time specified in subclause (1) for negotiating a connection contract.

Compare: SR 2007/219 clause 21 Schedule 1

## 22 Testing and inspection

- (1) The **distributed generator** whose application to **connect distributed generation** is approved must test and inspect its **distributed generation**.
- (2) The **distributed generator** must give adequate notice of the testing and inspection to the **distributor**.
- (3) The **distributor** may send qualified personnel to the site to observe the testing and inspection.
- (4) The **distributed generator** must provide the **distributor** with a written test report when testing and inspection is complete, including suitable evidence that the **metering installation** complies with the appropriate **metering standards** in this Code.
- (5) The **distributed generator** must pay any fee specified by the **distributor** for observing the testing and inspection, up to the maximum fee prescribed in Schedule 6.5.

Compare: SR 2007/219 clause 22 Schedule 1

## 23 Connection of distributed generation outside regulated terms if contract negotiated

If the **distributor** and the **distributed generator** whose application to **connect distributed generation** is approved enter into a connection contract before the period for negotiating a connection contract under this Part of this Schedule expires,—

- (a) the **distributor** must **connect the distributed generation** in accordance with that contract as soon as practicable; and
- (b) the **distributed generator** must complete the testing and inspection under clause 22.

Compare: SR 2007/219 clause 23 Schedule 1

## 24 Connection of distributed generation on regulated terms if contract not negotiated

- (1) If the **distributor** and the **distributed generator** whose application to **connect distributed generation** is approved do not enter into a connection contract before the period for negotiating a connection contract under this Part of this Schedule expires,—
  - (a) the **distributor** must **connect the distributed generation** on the **regulated terms** as soon as practicable after the later of—
    - (i) the expiry of that period; and
    - (ii) the date on which the **distributed generator** has fully complied with any conditions (or other measures) that were specified by the **distributor** under clause 18 as conditions of the connection; and

- (b) the **distributed generator** must complete the testing and inspection under clause 22.
- (2) However, to the extent that those conditions (or other measures) were the subject of a dispute under clause 20(3), or of negotiation during the period for negotiation of the connection contract, the **distributor** must **connect the distributed generation** on the **regulated terms**, as soon as practicable after the later of—
  - (a) the dates referred to in subclause (1); and
  - (b) the date on which the dispute about the conditions or other measures is finally resolved or negotiated and the **distributed generator** has performed those conditions (or other matters).

Compare: SR 2007/219 clause 24 Schedule 1

### Part 3 General provisions

#### *Confidentiality*

#### **25 Confidentiality of information provided before connection**

- (1) All information provided with an application made under this Schedule, or otherwise provided by a **distributed generator** who wishes to **connect distributed generation** under this Schedule, must be kept confidential by the **distributor** except as agreed otherwise by the person who provides the information.
- (2) Despite subclause (1), the **distributor**—
  - (a) may, in response to an application for connection of **distributed generation**, disclose to the applicant that another **distributed generator** has made an application to **connect distributed generation** to the **distribution network** (without identifying who that other **distributed generator** is); and
  - (b) may, in the case of an application for connection of **distributed generation** that is only capable of generating **electricity** at a rate of 10 kW or less in total, generally indicate the location of the possible connection; and
  - (c) may, in the case of an application for connection of **distributed generation** that is capable of generating **electricity** at a rate above 10 kW, disclose the size and location of the proposed **distributed generation**.
- (3) The obligation to keep information confidential includes—

- (a) an obligation not to use the information for any purpose other than enabling the connection of the **distributed generation**; and
- (b) an obligation to destroy the information as soon as is reasonably practicable after the later of—
  - (i) when the information is no longer required for the purpose of the connection of the **distributed generation**; and
  - (ii) **5 years** after receiving the information.

Compare: SR 2007/219 clause 25 Schedule 1

*Annual reporting and record keeping*

**26 Distributors must report annually to Authority**

Each **distributor** must supply a report to the **Authority** on or before 1 April each **year** stating, in relation to the preceding calendar **year**,—

- (a) the number of applications the **distributor** has received under Part 1 of this Schedule; and
- (b) the number of **initial applications** the **distributor** has received under Part 2 of this Schedule; and
- (c) the number of **final applications** the **distributor** has received under Part 2 of this Schedule; and
- (d) the number of those applications that have required an extension of time for processing; and
- (e) the numbers of those applications approved and declined; and
- (f) the number of connections completed in that preceding **year** as a result of those applications and, in relation to each of those connections,—
  - (i) the date of the original application and the date of connection; and
  - (ii) whether the **distributed generation** was connected in accordance with a contract outside the **regulated terms**, or on the **regulated terms**; and
  - (iii) the rated **capacity** of the generation that was connected; and
- (g) the number of connections of **distributed generation** that were **disconnected** in that preceding **year** and, in relation to each of those connections,—
  - (i) the date of the disconnection; and
  - (ii) whether the **distributed generation** was connected in accordance with a contract outside the **regulated terms**, or on the **regulated terms**; and
  - (iii) the rated **capacity** of the generation that was **disconnected**.

Compare: SR 2007/219 clause 26 Schedule 1

**27 Authority must make information from distributors publicly available**

The **Authority** must **publicise** the information provided by **distributor** under clause 26.

Compare: SR 2007/219 clause 27 Schedule 1

**28 Distributors must keep records**

A **distributor** must maintain, for **5 years**, records of all applications received under this Schedule and the resulting outcomes (including records of how long it took to **connect** or decline an application, and justification for these outcomes).

Compare: SR 2007/219 clause 28 Schedule 1

cl 6.6

**Schedule 6.2**  
**Regulated terms for connection of distributed generation**

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*General*

**1 Contents of this Schedule**

This Schedule sets out the **regulated terms** for connection of **distributed generation** that apply to the connection of **distributed generation** that is connected in accordance with clause 6.6 and Schedule 6.1.

Compare: SR 2007/219 clause 1 Schedule 2

**2 Interpretation**

These **regulated terms** must be interpreted—

- (a) in light of the purpose of Part 6 of this Code; and
- (b) so as to give business efficacy to the relationship between the **distributor** and the **distributed generator** created by Part 6 of this Code.

Compare: SR 2007/219 clause 2 Schedule 2

**3 General obligations**

- (1) A **distributor** and a **distributed generator** must perform all obligations under these **regulated terms** in accordance with **connection and operation standards** (where applicable).
- (2) The **distributor** and the **distributed generator** must each **construct**, interconnect, operate, test, and **maintain** their respective equipment in accordance with—
  - (a) these **regulated terms**; and
  - (b) **connection and operation standards** (where applicable); and
  - (c) this Code.
- (3) The **distributed generator** must, subject to subclause (2), **construct**, interconnect, operate, test, and **maintain** its **distributed generation** in accordance with—
  - (a) **reasonable and prudent operating practice**; and
  - (b) the applicable manufacturer's instructions and recommendations.
- (4) The **distributor** and **distributed generator** must each be fully responsible for the respective facilities they own or operate.
- (5) The **distributor** and **distributed generator** must each ensure that their respective facilities adequately protect each other's equipment, personnel, and other persons and their property, from damage and injury.
- (6) The **distributed generator** must comply with any conditions specified by the **distributor** under clause 18 of Schedule 6.1 as conditions of the connection (or, to the extent that those conditions were the subject of a dispute under clause 20(3) of that Schedule, or of negotiation during the period for

negotiation of the connection contract, the conditions or other measures as finally resolved or negotiated).

Compare: SR 2007/219 clause 3 Schedule 2

### *Meters*

#### **4 Installation of meters and access to metering information**

- (1) The **distributed generator** must ensure that 1 or more **metering installations** are installed that—
  - (a) separately record any inflows of **electricity** from the **distribution network** and any **electricity** injected into the **distribution network**; and
  - (b) fully comply with this Code.
- (2) The **distributed generator** must provide to the **distributor**, at the **distributor's** request, the interval data and cumulative data recorded by those **metering installations**.
- (3) If the **meter** is part of a **category 2 metering installation**, or a category 3 **metering installation**, or a category 4 **metering installation**, or a category 5 **metering installation**, or a category 6 **metering installation**, the **distributor** may require that **reactive** metering be installed.

Clause 4(3): substituted, on 1 December 2011, by clause 5 of the Electricity Industry Participation Code (Distributor Use-of-System Agreements and Distributor Tariffs) Amendment 2011.

- (4) The **distributor's** requirements in respect of metering measurement and accuracy must be consistent with this Code.

Compare: SR 2007/219 clause 4 Schedule 2

### *Access*

#### **5 Right of distributor to access distributed generator's premises**

- (1) The **distributed generator** must provide the **distributor**, or a person appointed by the **distributor**, with safe and unobstructed access onto the **distributed generator's** premises at all reasonable times—
  - (a) for the purpose of installing, testing, inspecting, maintaining, repairing, replacing, operating, reading, or removing any of the **distributor's** equipment and for any other purpose related to these **regulated terms**; and
  - (b) for the purpose of verifying **metering information**; and
  - (c) for the purpose of ascertaining the cause of any interference to the quality of delivery services being provided by the **distributor** to the **distributed generator**; and

- (d) for the purpose of protecting, or preventing danger or damage to, persons or property; and
  - (e) for the purposes of reconnecting or disconnecting the **distributed generation**; and
  - (f) for any other purpose relevant to either or both of—
    - (i) the **distributor** connecting **distributed generation** in accordance with **connection and operation standards**; and
    - (ii) maintaining the integrity of the **distribution network**.
- (2) The rights of access conferred by these **regulated terms** are in addition to any right of access the **distributor** may have under a statute or regulation or contract.  
Compare: SR 2007/219 clause 5 Schedule 2

#### **6 Process if distributor wants to access distributed generator's premises**

- (1) The **distributor** must exercise its right of access under clause 5 by,—
- (a) wherever practicable, giving to the **distributed generator** reasonable notice of its intention and of the purpose for which it will exercise its right of access; and
  - (b) causing as little inconvenience as practicable to the **distributed generator** in carrying out its work; and
  - (c) observing **reasonable and prudent operating practice** at all times; and
  - (d) observing any reasonable security or site safety requirements that are made known to the **distributor** by the **distributed generator**.
- (2) However, the **distributor** may take all reasonable steps to gain immediate access where it reasonably believes there is immediate danger to persons or property.  
Compare: SR 2007/219 clause 6 Schedule 2

#### **7 Distributor must not interfere with distributed generator's equipment**

- (1) The **distributor** must not interfere with the **distributed generator's** equipment without the prior written consent of the **distributed generator**.
- (2) However, if emergency action has to be taken to protect the health and safety of persons, or to prevent damage to property, the **distributor**—
- (a) may interfere with the **distributed generator's** equipment without prior written consent; and
  - (b) must, as soon as practicable, inform the **distributed generator** of the occurrence and circumstances involved.

Compare: SR 2007/219 clause 7 Schedule 2

**8 Distributed generator must not interfere with, and must protect, distributor's equipment**

- (1) A **distributed generator** must not interfere with the **distributor's** equipment without the prior written consent of the **distributor**.
- (2) However, if emergency action has to be taken to protect the health and safety of persons, or to prevent damage to property, the **distributed generator**—
  - (a) may interfere with the **distributor's** equipment without prior written consent; and
  - (b) must, as soon as practicable, inform the **distributor** of the occurrence and circumstances involved.
- (3) The **distributed generator** must protect the **distributor's** equipment against interference and damage.

Compare: SR 2007/219 clause 8 Schedule 2

**9 Obligation to notify if interference with distributor's equipment or theft of electricity is discovered**

- (1) If the **distributor** or the **distributed generator** discover evidence of interference with the **distributor's** equipment, or evidence of theft of **electricity**, the party discovering the interference or evidence must notify the other party within 24 hours.
- (2) If interference with the **distributor's** equipment at the **distributed generator's** installation is suspected, the **distributor** may itself carry out an investigation and present the findings to the **distributed generator** within a reasonable period.
- (3) The cost of the investigation—
  - (a) must be borne by the **distributed generator** if it is discovered that interference by the **distributed generator**, or by its subcontractors, agents, or invitees, has occurred, or if the interference has been by a third party, and the **distributed generator** has failed to provide reasonable protection against interference to the **distributor's** equipment; and
  - (b) must be borne by the **distributor** in any other case.

Compare: SR 2007/219 clause 9 Schedule 2

*Interruptions and disconnections*

**10 General obligation relating to interruptions**

The **distributor** must make reasonable endeavours to ensure that the connection of the **distributed generation** is not interrupted.

Compare: SR 2007/219 clause 10 Schedule 2

**11 Circumstances allowing distributor to temporarily disconnect distributed generation**

Despite clause 10, a **distributor** may interrupt the connection service, or curtail either the operation or output of the generation, or both, and may temporarily disconnect the **distributed generation** in any of the following cases:

- (a) in accordance with the **distributor's congestion management policy**;
- (b) if reasonably necessary for planned **maintenance, construction**, and repairs on the **distribution network**;
- (c) for the purpose of protecting, or preventing danger or damage to, persons or property;
- (d) if the **distributed generator** fails to allow the **distributor** access as required by clause 5;
- (e) if the **distributed generator** modifies its **distributed generation**, without prior authorisation from the **distributor**, in such a way that it has a material effect on the **distributed generator's injection of electricity** into the **network**;
- (f) in accordance with clause 13 (adverse operating effects).

Compare: SR 2007/219 clause 11 Schedule 2

**12 Obligations if distributed generation temporarily disconnected by distributor**

- (1) The **distributor** must make reasonable endeavours to—
  - (a) notify the **distributed generator** before an interruption under clause 11; and
  - (b) co-ordinate with the **distributed generator** to minimise the impact of the interruption.
- (2) The **distributor** and the **distributed generator** must co-operate to restore the **distribution network** and the **distributed generation** to a normal operating state as soon as is reasonably practicable following temporary disconnection.
- (3) In the case of a forced outage, the **distributor** must, subject to the need to restore the **distribution network**, make reasonable endeavours to restore service to the **distributed generator** and to advise the **distributed generator** of the expected duration of the outage.

Compare: SR 2007/219 clause 12 Schedule 2

**13 Adverse operating effects**

- (1) A **distributor** must notify a **distributed generator** as soon as is reasonably practicable if it reasonably considers that operation of the **distributed generation** may—

- (a) adversely affect the service provided to other **distribution network** customers; or
  - (b) cause damage to the **distribution network** or other facilities; or
  - (c) present a hazard to a person.
- (2) If, after receiving that notice, the **distributed generator** fails to remedy the adverse operating effect within a reasonable time, the **distributor** may disconnect the generation by giving reasonable notice (or without notice when reasonably necessary in the event of an emergency or hazardous situation).

Compare: SR 2007/219 clause 13 Schedule 2

#### **14 Interruptions by distributed generator**

- (1) This clause applies to any connected **distributed generation** above 10 kW in total.
- (2) The **distributed generator** must notify the **distributor** of any **planned outages** and must make reasonable endeavours to advise the **distributor** of an event that affects **network** operations.
- (3) The **distributed generator** must make reasonable endeavours to notify the **distributor** of the interruption and to co-ordinate with the **distributor** to minimise the impact of the interruption.

Compare: SR 2007/219 clause 14 Schedule 2

#### **15 Permanent disconnections**

- (1) Despite clause 10, the **distributor** may permanently disconnect **distributed generation** in the following circumstances:
- (a) on receipt of a request from a **distributed generator**:
  - (b) without notice, if a **distributed generator** has failed to comply with either the connection or safety requirements of the **distributor** and there is an ongoing risk to persons or property:
  - (c) without notice, on receipt of the **registry** inactive status with reason “De-energised—ready for decommissioning” if the trader has de-energised a site, attempted to recover the **meters**, and updated the **registry** to that status:
  - (d) on at least 10 **business days'** notice of intention to disconnect, if—
    - (i) the **distributed generator** has not injected **electricity** into the **network** at any time in the preceding 12 months; and
    - (ii) the **distributor** has not been notified by the **distributed generator** of reasons for the non-injection; and

- (iii) the **distributor** has reasonable grounds for believing that the **distributed generator** has ceased to operate the **distributed generation**.
- (2) If the **point of connection** is to remain as a consumption point, the **distributed generator** must (if applicable) cancel any seller contracts and ensure the trader decommissions the embedded generation network service point with the **reconciliation manager**. The site must revert to a standard **ICP**.
- (3) If the **point of connection** is to be disestablished in its entirety, a permanent disconnection must be performed by means of isolation of generation by removal of all electrical connections to **distributor's lines**. The **distributor** must notify the **distributed generator** within 2 **business days** of the work having been completed. If applicable, the **distributed generator** must cancel any seller contracts, ensure that the **retailer** decommissions the embedded generation network service point with the **reconciliation manager**, and that the **retailer** arranges decommissioning of the **ICP**.
- (4) Once having the status of decommissioned on the **registry**, the **ICP** must not be used again. The process for new connections in Part 1 or 2, as the case may be, of Schedule 6.1 must be followed if generation is to be connected again at this **point of connection**.
- (5) Both the **distributor** and the **distributed generator** (through notification to a **retailer** where selling to a **retailer**) must ensure that the **registry** is correctly updated throughout this process in accordance with this Code.

Compare: SR 2007/219 clause 15 Schedule 2

### *Confidentiality*

#### **16 General obligations relating to confidentiality**

- (1) Each party must preserve the confidentiality of **confidential information**, and must not directly or indirectly reveal, report, publish, transfer, or disclose the existence of any **confidential information**, except as permitted in subclause (2).
- (2) Each party must only use **confidential information** for the purposes expressly permitted by these **regulated terms**.

Compare: SR 2007/219 clause 17 Schedule 2

#### **17 When confidential information can be disclosed**

Either party may disclose **confidential information** in any of the following circumstances:

- (a) if the **distributed generator** and **distributor** agree in writing to the disclosure of information:

- (b) if disclosure is expressly provided for under these **regulated terms**:
- (c) if, at the time of receipt by the party, the **confidential information** is in the public domain or if, after the time of receipt by either party, the **confidential information** enters the public domain (except where it does so as a result of a breach by either party of its obligations under this clause or a breach by any other person of that person's obligation of confidence):
- (d) if either party is required to disclose **confidential information** by—
  - (i) a statutory or regulatory obligation, body, or authority; or
  - (ii) a judicial or arbitration process; or
  - (iii) the regulations of a stock exchange upon which the share capital of either party is from time to time listed or dealt in; or
  - (iv) this Code:
- (e) if the **confidential information** is released to the officers, employees, directors, agents, or advisors of the party, provided that—
  - (i) the information is disseminated only on a need-to-know basis; and
  - (ii) recipients of the **confidential information** have been made fully aware of the party's obligations of confidence in relation to the information; and
  - (iii) any copies of the information clearly identify it as **confidential information**:
- (f) if the **confidential information** is released to a bona fide potential purchaser of the business or any part of the business of a party, subject to that bona fide potential purchaser having signed a confidentiality agreement enforceable by the other party in a form approved by that other party, and that approval may not be unreasonably withheld.

Compare: SR 2007/219 clause 18 Schedule 2

## 18 Disclosures by employees, agents, etc

To avoid doubt, a party is responsible for any unauthorised disclosure of **confidential information** made by that party's officers, employees, directors, agents, or advisors.

Compare: SR 2007/219 clause 19 Schedule 2

*Pricing*

**19 Pricing principles**

Connection charges that are payable by a **distributed generator** must be determined in accordance with the pricing principles set out in Schedule 6.4.

Compare: SR 2007/219 clause 20 Schedule 2

*Liability*

**20 General obligations relating to liability**

- (1) If a **distributor** or **distributed generator** breaches any of the **regulated terms** (whether by act or omission), that party is liable to the other.
- (2) The **distributed generator's** and the **distributor's** liability to each other is limited to damages for any direct loss caused by that breach.
- (3) This clause does not limit the liability of either party to pay all charges and other amounts due under Part 6 of this Code or the **regulated terms**.

Compare: SR 2007/219 clause 21 Schedule 2

**21 Exceptions to obligations relating to liability**

- (1) Neither the **distributor** nor a **distributed generator**, nor any of its officers, employees, directors, agents, or advisors, are in any circumstances liable to the other party for—
  - (a) any indirect loss, consequential loss (including, but not limited to, incidental or special damages), loss of profit, loss of revenue (except any liability under clause 20(3)), loss of use, loss of opportunity, loss of contract, or loss of goodwill; or
  - (b) any loss resulting from the liability of the other party to another person; or
  - (c) any loss or damage incurred by the other party if, and to the extent that, this results from any breach of the **regulated terms** or any negligent action.
- (2) The **distributor** is not liable, except to the extent caused or contributed to by the **distributor** in circumstances where the **distributor** was not acting in accordance with Part 6 of this Code (including these **regulated terms**), for—
  - (a) any momentary fluctuations in the voltage or frequency of **electricity** conveyed to or from the **distributed generation's point of connection** or nonconformity with harmonic voltage and current levels; or
  - (b) any failure to convey **electricity** to the extent that—

- (i) the failure arises from any act or omission of the **distributed generator** or other person, excluding the **distributor** and its officers, employees, directors, agents, or advisors; or
  - (ii) the failure arises from—
    - (A) a failure to convey or a reduction of **injection** or supply of **electricity** into the **distribution network**; or
    - (B) an interruption in the conveyance of **electricity** in the **network**, at the request of the **system operator** or under a nationally or regionally co-ordinated response to an **electricity** shortage; or
  - (iii) the failure arises from any defect or abnormal conditions in or about the **distributed generator's** premises; or
  - (iv) the **distributor** was taking any action in accordance with Part 6 of this Code or the **regulated terms**; or
  - (v) the **distributor** was prevented from making necessary repairs (for example, by police at an accident scene).
- (3) The **distributed generator** is not liable for—
- (a) a failure to perform an obligation under these **regulated terms** caused by the **distributor's** failure to comply with the obligation; or
  - (b) a failure to perform an obligation under these **regulated terms** arising from any defect or abnormal conditions in the **distribution network**.

Compare: SR 2007/219 clause 22 Schedule 2

## 22 Limits on liability

The maximum total liability of each party, as a result of a breach of the **regulated terms**, must not in any circumstances exceed, in respect of a single event or series of events arising from the same event or circumstance, the lesser of—

- (a) the direct damage suffered or the maximum total liability that the party bringing the claim against the other party has at the time that the event (or, in the case of a series of related events, the first of such events) giving rise to the liability occurred; or
- (b) \$1,000 per kW of installed **capacity** up to a maximum of \$5 million.

Compare: SR 2007/219 clause 23 Schedule 2

**23 Liability clauses do not apply to fraud, wilful breach, and breach of confidentiality**

The exceptions in clause 21, and the limits on liability in clause 22, do not apply—

- (a) if a **distributor** or **distributed generator**, or any of its officers, employees, directors, agents, or advisors, has acted fraudulently or wilfully in breach of these **regulated terms**; or
- (b) to a breach of confidentiality under clause 16 by either party.

Compare: SR 2007/219 clause 24 Schedule 2

**24 Indemnity**

- (1) Each party (the **indemnifying party**) must indemnify the other for damages claimed by third parties to the extent that the loss is caused by a breach of these **regulated terms** by the **indemnifying party**, where the loss is materially caused by an action or omission of the **indemnifying party**.
- (2) The indemnity in this clause is subject to the limits on liability specified in clauses 20 to 23.

Compare: SR 2007/219 clause 25 Schedule 2

**25 Force majeure**

- (1) A failure by either party to comply with or observe any provisions of these **regulated terms** (other than payment of any amount due) does not give rise to any cause of action or liability based on default of the provision if—
  - (a) the failure is caused by—
    - (i) an event or circumstance occasioned by, or in consequence of, an act of God, being an event or circumstance—
      - (A) due to natural causes, directly or indirectly and exclusively without human intervention; and
      - (B) that could not reasonably have been foreseen or, if foreseen, could not reasonably have been resisted; or
    - (ii) a strike, lockout, other industrial disturbance, act of public enemy, war, blockade, insurrection, riot, epidemic, aircraft, or civil disturbance; or
    - (iii) the binding order or requirement of a Court, government, **local authority**, the **Rulings Panel**, or the **Authority**, and the failure is not within the reasonable control of the affected party; or

- (iv) the partial or entire failure of **supply** or availability of **electricity** to the **distribution network**; or
    - (v) any other event or circumstance beyond the control of the party invoking this clause; and
  - (b) the party could not have prevented such failure by the exercise of the degree of skill, diligence, prudence, and foresight that would reasonably and ordinarily be expected from a skilled and experienced **distributor** or **distributed generator** engaged in the same type of undertaking under the same or similar circumstances in New Zealand at the time.
- (2) If a party becomes aware of a prospect of a forthcoming **force majeure event**, it must notify the other party as soon as is reasonably practicable of the particulars of which it is aware.
- (3) If a party invokes this clause, it must as soon as is reasonably practicable notify the other party that it is invoking this clause and of the full particulars of the **force majeure event** relied on.
- (4) The party invoking this clause must—
  - (a) use all reasonable endeavours to overcome or avoid the **force majeure event**; and
  - (b) use all reasonable endeavours to mitigate the effects or the consequences of the **force majeure event**; and
  - (c) consult with the other party on the performance of the obligations referred to in paragraphs (a) and (b).
- (5) Nothing in subclause (4) requires a party to settle a strike, lockout, or other industrial disturbance by acceding, against its judgement, to the demands of opposing parties.

Compare: SR 2007/219 clause 26 Schedule 2

## Schedule 6.3 Default dispute resolution process

cl 6.8

### Contents

- 1 Application of this schedule
- 2 Notice of dispute
- 3 Complaints
- 4 Application of pricing principles to disputes
- 5 Orders that Rulings Panel can make

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### 1 Application of this Schedule

- (1) This Schedule applies in accordance with clause 6.8.
- (2) To avoid doubt, this Schedule applies to disputes about either of the following:
  - (a) the conditions specified by the **distributor** under clause 18 of Schedule 6.1:
  - (b) whether a party is attempting to negotiate in good faith under clauses 6 or 21 of Schedule 6.1.

Compare: SR 2007/219 clause 1 Schedule 3

### 2 Notice of dispute

- (1) A party must give written notice to the other party of the dispute.
- (2) The parties must attempt to resolve the dispute with each other in good faith.
- (3) If the parties are unable to resolve the dispute, either party may complain in writing to the **Authority**.

Compare: SR 2007/219 clause 2 Schedule 3

### 3 Complaints

- (1) A complaint made under clause 2(3) must be treated as if it were a notification given under regulations made under section 112 of the **Act**.
- (2) The following provisions apply to the complaint:
  - (a) sections 53-62 of the **Act**; and
  - (b) the Electricity Industry (Enforcement) Regulations 2010 except regulations 5, 6, 7, 9, 17, 51 to 75, and subpart 2 of Part 3.
- (3) Those provisions apply—
  - (a) to the dispute that is the subject of the complaint in the same way as those provisions apply to a notification of an alleged breach of this Code; and
  - (b) as if references to a **participant** in those provisions were references to a party under Part 6 of this Code; and
  - (c) with any further modifications that the **Authority** or the **Rulings Panel**, as the case may be, considers

necessary or desirable for the purpose of applying those provisions to the complaint.

Compare: SR 2007/219 clause 3 Schedule 3

**4 Application of pricing principles to disputes**

- (1) The **Authority** and the **Rulings Panel** must apply the pricing principles set out in Schedule 6.4 to determine any connection charges payable.
- (2) Subclause (1) applies if—
  - (a) there is a dispute under Part 6 of this Code; and
  - (b) in the opinion of the **Authority** or the **Rulings Panel** it is necessary or desirable to apply subclause (1) in order to resolve the dispute.

Compare: SR 2007/219 clause 4 Schedule 3

**5 Orders that Rulings Panel can make**

If a complaint is referred to it, the **Rulings Panel** may make any order, or take any action, that it is able to make or take in accordance with section 54 of the **Act**.

Compare: SR 2007/219 clause 5 Schedule 3

## Schedule 6.4 Pricing principles

cl 6.9

- 1 This Schedule sets out the pricing principles to be applied for the purposes of Part 6 of this Code in accordance with clause 6.9 (which relates to clause 20 of Schedule 6.2 and clause 4 of Schedule 6.3).

Compare: SR 2007/219 clause 1 Schedule 4

- 2 The pricing principles are as follows:

*Charges to be based on recovery of reasonable costs incurred by distributor to connect the distributed generator and to comply with connection and operation standards within the network, and must include consideration of any identifiable avoided or avoidable costs*

- (a) subject to paragraph (i), connection charges in respect of **distributed generation** must not exceed the incremental costs of providing connection services to the **distributed generation**. To avoid doubt, incremental cost is net of transmission and distribution costs that an efficient **market operation service provider** would be able to avoid as a result of the connection of the **distributed generation**:
- (b) costs that cannot be calculated (eg, avoidable costs) must be estimated with reference to reasonable estimates of how the **distributor's** capital investment decisions and operating costs would differ, in the future, with and without the generation:
- (c) estimated costs may be adjusted ex post. Ex-post adjustment involves calculating, at the end of a period, what the actual costs incurred by the **distributor** as a result of the **distributed generation** being connected to the **distribution network** were, and deducting the costs that would have been incurred had the generation not been connected. In this case, if the costs differ from the costs charged to the **distributed generator**, the **distributor** must notify and recover or refund those costs after they are incurred (unless the **distributor** and the **distributed generator** agree otherwise):

*Capital and operating expenses*

- (d) if costs include distinct capital expenditure, such as costs for a significant **asset** replacement or upgrade, the connection charge attributable to the **distributed generator's** actions or proposals is payable by the **distributed generator** before the **distributor** has

committed to incurring those costs. When making reasonable endeavours to facilitate connection, the **distributor** is not obliged to incur those costs until that payment has been received:

- (e) if incremental costs are negative, the **distributed generator** is deemed to be providing network support services to the **distributor**, and may invoice the **distributor** for this service and, in that case, the **distributed generator** must comply with all relevant obligations (for example, obligations under Part 6 of this Code and in respect of tax):
- (f) if costs relate to ongoing or periodic operating expenses, such as costs for routine **maintenance**, the connection charge attributable to the **distributed generator's** actions or proposals may take the form of a periodic charge expressed in dollars per annum:
- (g) before the connection of **distributed generation**, the **distributor** must notify the **distributed generator** in writing of the connection charges that will be payable, and explain how the connection charges have been calculated:
- (h) after the connection of the **distributed generation**, the **distributor** may review the connection charges payable by a **distributed generator** not more than once in any 12-month period. Following a review, the **distributor** must notify the **distributed generator** in writing of any change in the connection charges payable, and the reasons for any change, not less than 3 months before the date the change is to take effect:

*Share of generation-driven costs*

- (i) if multiple **distributed generators** are sharing an investment, the portion of costs payable by any 1 **distributed generator**—
  - (i) must be calculated so that the charges paid or payable by each **distributed generator** take into account the relative expected peak of each **distributed generator's** injected generation; and
  - (ii) may also have regard to the percentage of **assets** that will be used by each **distributed generator**, the percentage of **capacity** used by each **distributed generator**, the relative share of expected maximum combined peak output, and whether the combined peak generation is coincident with the peak load on the **network**:
- (j) in order to facilitate the calculation of equitable connection charges under paragraph (i), the

**distributor** must make and retain adequate records of investments for a period of **5 years**, provide the rationale for the investment in terms of facilitating **distributed generation**, and indicate the extent to which the associated costs have been or are to be recovered through generation connection charges:

*Repayment of previously funded investment*

- (k) if a **distributed generator** has paid connection charges that include (in part) the cost of an investment that is subsequently shared by other **distributed generators**, the **distributor** must refund to the **distributed generator** all connection charges paid to the **distributor** under paragraph (i) by other **distributed generators** in respect of that investment:
- (l) if there are multiple prior **distributed generators**, a refund to each **distributed generator** referred to in paragraph (k) must be provided in accordance with the expected peak of that **distributed generator's** injected generation over a period of time agreed between the **distributed generator** and the **distributor**. The refund—
  - (i) must take into account the relative expected peak of each **distributed generator's** injected generation; and
  - (ii) may also have regard to the percentage of **assets** that will be used by each **distributed generator**, the percentage of **capacity** used by each **distributed generator**, the relative share of expected maximum combined peak output, and whether the combined peak generation is coincident with the peak load on the **network**:
- (m) no refund of previous payments from the **distributed generator** referred to in paragraph (k) is required after a period of **3 years** from the initial connection of that **distributed generator**:

*Non-firm connection service*

- (n) to avoid doubt, nothing in Part 6 of this Code creates any **capacity** or property rights in any part of the **distribution network** unless these are specifically contracted for. **Distributors** must **maintain** connection and **lines** services to **distributed generators** in accordance with their **connection and operation standards**.

Compare: SR 2007/219 clause 2 Schedule 4

- 3 In this Schedule, **incremental costs** means the reasonable costs that an efficient **market operation service provider**

would incur in providing **electricity** distribution services with connection services to the **distributed generation**, less the costs that the efficient **market operation service provider** would incur if it did not provide those connection services.

Compare: SR 2007/219 clause 3 Schedule 4

**Schedule 6.5**  
cls 2(4), 7(5), 11(4), and 22(5) of Sch 6.1  
**Prescribed maximum fees**

- 1 In this Schedule, reference to a kW or MW rate, in relation to **distributed generation**, is a reference to the kW or MW rate at which **distributed generation** is capable of generating **electricity**.
  
- 2 A **distributor** may require the payment of fees for any of the following activities prescribed under Part 6 of this Code to the maximum fee specified in the column opposite that activity:

<b>Fee for application for distributed generation 10 kW or less in total</b>	<b>\$</b>
<b>Distributed generation</b> of 10 kW or less in total	200
<b>Fee for initial application for distributed generation above 10 kW</b>	
<b>Distributed generation</b> of above 10 kW in total but less than 100 kW in total	500
<b>Distributed generation</b> of 100 kW or above in total but less than 1 MW	1,000
<b>Distributed generation</b> of 1 MW and above	5,000
<b>Fee for observation of testing and inspection under clauses 7 and 22 of Schedule 6.1</b>	
<b>Distributed generation</b> of 10 kW or less in total	60
<b>Distributed generation</b> of above 10 kW in total but less than 100 kW in total	120
<b>Distributed generation</b> of 100 kW and above	1,200

Compare: SR 2007/219 Schedule 5