

Notice of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014

1. Pursuant to section 38(3)(b) of the Electricity Industry Act 2010 (“Act”), and having complied with section 39 of that Act, the Electricity Authority (“Authority”) gives notice of the making of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014 (“amendment”).
2. The amendment comes into force on **24 March 2015**, except for clause 3, which comes into force on **6 November 2014**.
3. The amendment makes a number of corrections, clarifications and improvements to the Electricity Industry Participation Code 2010 (“Code”) as amended by the Electricity Industry Participation (Settlement and Prudential Security) Code Amendment 2013, including:
 - (a) provisions to address what actions participants may take to prepare for the new Part 14 and 14A coming into effect, and how certain types of defaults must be managed in the transitional period;
 - (b) changes to the settlement provisions, such as standardising the measurement units used in hedge settlement agreements, and the correction of definitions in three formulae;
 - (c) changes to the prudential security provisions, such as to the quarterly “adder” used to determine a participant’s exit period prudential requirement, and changes to clarify how prepayments and wash-ups should be treated when calculating minimum security; and
 - (d) changes to preserve the effect of amendments made to the Code since the Electricity Industry Participation (Settlement and Prudential Security) Code Amendment 2013 was made.
4. A copy of the amendment and the Code is available on the Authority’s website at
www.ea.govt.nz/code-and-compliance/the-code/
5. A copy of the amendment and the Code may also be inspected free of charge or purchased from the Electricity Authority, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington.

Dated at Wellington this 6th day of October 2014.

DR THOMAS BRENT LAYTON, Chairperson, Electricity Authority.

au6253
