

Electricity Industry (Exemption No. 204 (Orion New Zealand Limited)) Exemption Notice 2014

Pursuant to section 11 of the Electricity Industry Act 2010 (“Act”), the Electricity Authority gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Industry (Exemption No. 204 (Orion New Zealand Limited)) Exemption Notice 2014.

(2) This notice comes into force on **2 September 2014**.

2. Exemption—Orion New Zealand Limited (“Orion”) is exempted from complying, in respect of the existing interconnection point between Orion’s local network (BRY0661) and MainPower New Zealand Limited’s (“MainPower”) local network (KAI0111), with the following:

- (a) clause 25(1)(a) of Schedule 11.1 of the Electricity Industry Participation Code 2010 (“Code”); and
- (b) all other obligations in the Code in respect of distributors’ network supply points.

3. Term—This exemption expires at the earlier of:

- (a) **1 September 2017**;
- (b) the number of installation control points (“ICPs”) on Orion’s local network (BRY0661) that can be backfed by MainPower’s local network (KAI0111) exceeding 500;
- (c) the number of ICPs on MainPower’s local network (KAI0111) that can be backfed by Orion’s local network (BRY0661) exceeding 500; and
- (d) there having been more than three outages in a year on the existing interconnection point between Orion’s local network (BRY0661) and MainPower’s local network (KAI0111).

4. Reasons for granting the exemption—The reasons for granting this exemption are:

- (a) granting the exemption meets the requirements in section 11(2) of the Act for granting exemptions;
- (b) without an exemption, Orion will:
 - (i) incur unreasonable expenditure and complexity in fitting metering and communication equipment to its network for the relatively low consumption volumes on the interconnection point;
 - (ii) incur unreasonable expenditure in becoming a certified reconciliation participant;
 - (iii) incur unreasonable expenditure in submitting submission information for each reconciliation period; and
 - (iv) need to re-assess the viability of having the interconnection point as a back-up;
- (c) the interconnection point is rarely used;
- (d) although granting the exemption will have a financial impact on the retailers on BRY0661 and KAI0111, the continuous supply to the customers on BRY0661 and KAI0111 outweighs this financial impact; and
- (e) the exemption will have little or no impact on other participants (other than the affected retailers) and service providers and will not affect any other Code provisions.

Dated at Wellington this 25th day of August 2014.

For and on behalf of the Electricity Authority: