

**Application Form**

**Application for a shortened post-default exit period**

**To: General Manager Market Performance**

**Email: [marketoperations@ea.govt.nz](mailto:marketoperations@ea.govt.nz)**

**Date:**

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Under clause 14A.22(4) of the Electricity Industry Participation Code 2010, a participant's post-default exit period is as follows, *unless the Electricity Authority (Authority) has approved a shorter post-default exit period*:

- a) for a retailer, 18 trading days
- b) for a direct purchaser, 7 trading days
- c) for a participant that is not a retailer or a direct purchaser, 7 trading days.

This application form sets out what information the Authority requires from a participant to assess whether to approve a shortened post-default exit period for that participant under clause 14.22(4).

The Authority will consider each application to approve a shortened post-default exit period against the criteria set out in the Authority's *Requests for a shortened post-default exit period* policy.<sup>1</sup> The Authority may also require an applicant to provide further information/evidence before the Authority reaches its decision.

Does this application and its supporting documents contain any information that you consider is commercially sensitive?

**YES / NO**

Please mark any information that you provide in your application (and supporting documents) that you consider is commercially sensitive. Please note that any official information the Authority holds can be requested under the Official Information Act 1982. This means that, if requested, the Authority would have to release the relevant official information unless good reason existed under the Official Information Act to withhold it. The Authority would normally consult with you before releasing any information that you said should not be published.

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<sup>1</sup> The *Requests for a shortened post-default exit period* policy is available here: <https://www.ea.govt.nz/operations/market-operation-service-providers/clearing-manager/prudential-security/>.

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**Section A: Applicant Information**

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**Q 1 Who is applying?**

Organisation: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Email: \_\_\_\_\_

Phone (DDI, Mobile, Fax): \_\_\_\_\_

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**Q 2 Type of participant**

What participant type are you making this application for?:

- direct purchaser – you purchase electricity from the clearing manager for your own consumption (applying for a post-default exit period shorter than 7 trading days)
- retailer – you supply electricity to another person other than for resupply (applying for a post-default exit period shorter than 18 trading days)
- a participant other than a direct purchaser or a retailer (applying for a post-default exit period shorter than 7 trading days)

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**Q 3 How many trading days is the shorter post-default exit period that you are applying for?**

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**Q 4 How will you manage the risk to the market if you default?**

- transferring your obligations to another party (complete section B: Transfer of Obligations and section D: General)
- disconnection (complete section C: Disconnection and section D: General)
- other (please contact the Authority to discuss requirements for assessing other options)

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**Section B: Transfer of Obligations**

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*Complete this section if you intend to transfer your obligations to another participant in the event of a default.*

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**Q 5 How will you transfer your obligations? For example (check all that apply):**

- transfer of customer contracts to another participant, including updating the registry
  - arrange for another party to perform your obligations on your behalf
  - financial guarantee
  - other (please explain)
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**Q 6 How will you implement the options you selected in Q 5 before the end of the post-default exit period?**

Please attach copies of relevant contracts or other material.

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**Q 7 How would customers be affected if your installation control points (ICPs) were assigned to another participant?**

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**Section C: Disconnection**

*Complete this section if you agree to disconnection in the event of default.*

**Q 8 What Grid Exit Points (GXP) and/or ICPs are you connected to, and who is the grid owner or distributor for each ICP?**

GXP/ICP	Grid owner/Distributor

**Q 9 For each GXP and ICP listed in Q 8, do you have a contract with the grid owner or distributor that allows disconnection on direction from the Authority?**

Please attach the relevant contracts.

**Q 10 What is the electrical configuration of each connection listed in Q 8?**

Please provide an accurate single line diagram showing:

- (a) points of connection to external networks, internal networks, internal third party consumers, and third party consumers and generators that connect through your installation
- (b) all alternate points of supply, location of metering, and identified disconnection points.

In the single line diagram or an accompanying schedule, please state:

- (a) who the owner of each disconnection point(s) is
- (b) the method of disconnection.

**The electrical configuration in the single line diagram must be verified as accurate by an independent electrical engineer.**

Please check all of the following configuration scenarios that apply:

***Direct purchasers on local networks and embedded networks:***

- Direct purchaser purchasing at an ICP on its own behalf*
- Direct purchaser retailing as a type 2 retailer on a customer network*
- Direct purchaser retailing as a type 1 or 2 retailer on a local or embedded network*
- Direct purchaser purchasing for a SB ICP on a local or embedded network (residual volume purchaser)*
- Any other configuration not captured above (please specify).*

***Direct purchasers on points of connection to the grid:***

- Direct purchaser purchasing at a GD GXP and ICPs on their own behalf*
- Direct purchaser purchasing at a GD GXP and ICPs on their own behalf and also acting as a type 1 retailer*
- Type 1 retailer at a GXP selling to a GD consumer*

- Type 1 retailer and direct purchaser, purchasing at the same GXP for the same GD consumer
- Direct purchaser purchasing for SB ICP at a GXP (residual volume purchaser)
- Any other configuration not captured above (please specify).

Please note :

- **Direct purchaser** is a participant that purchases electricity directly from the clearing manager for their own consumption. Direct purchasers exist at both GXPs and ICPs.
- **Type 1 retailer** is a retailer that purchases electricity from the clearing manager and sells that electricity directly to a customer who consumes that electricity.
- **Type 2 retailer** is a retailer that purchases electricity from another purchaser (instead of the clearing manager) and sells that electricity directly to a customer
- **Customer network** is a network where there are customers other than the network owner who are connected to the network, and those customers do not have ICP identifiers and so do not have a choice of retailer
- **SB ICP** is a reconciliation type that indicates the volume of electricity allocated to that ICP identifier in the reconciliation process is not metered directly, but is determined by a subtraction process
- **GD GXP** is a grid direct point of connection to the grid that supplies a large load customer, which, given the large amount of electricity it needs, has its own point of connection to the grid. Apart from supplying that particular customer, the GD GXP normally does not supply any other customers.

Please provide as much information as possible, including names of any other parties connected to the relevant electrical installations.

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**Q 11 Has the grid owner/distributor confirmed they will disconnect if directed by the Authority?**

Please attach a letter from the grid owner/distributor stating:

- (a) that it can and will disconnect you if directed to do so by the Authority
- (b) that it has processes in place to disconnect you at short notice if directed to do so by the Authority
- (c) the contact person at the grid owner/distributor that the Authority:
  - i) may contact to confirm arrangements for disconnection are in place
  - ii) should contact in the event the Authority directs that your GXPs /ICPs be disconnected.

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**Q 12 How will you manage the risk to related parties of a disconnection?**

For example:

- (a) if you are a direct purchaser, and there are other parties whose electricity is supplied through your installation (or delivered, in the case of a generator), how will you minimise the effect of disconnection on these parties?
- (b) if you are also a retailer or a generator, how will you minimise the effect on your customers?
- (c) if you own an embedded network, how will you minimise the effect on the parties connected to that embedded network?

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**Q 13 Please attach a letter from each related party confirming they are aware that they may be disconnected if the Authority directs it, and they agree to take no action to prevent disconnection.**

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**Section D: General**

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*All applicants must complete this section.*

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**Q 14 Please describe what the effects of your default would be on the market and on your customers.**

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**Q 15 Is there any other information you wish to provide?**

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**Q 16 Please provide a statement signed by one of the Directors of your organisation with the following information:**

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1) Please outline any plans you have that might change your exposure to the electricity market.

*For example, do you intend to:*

- (a) trade any additional points of connection as a direct purchaser? If so, where are those additional points of connection, and are they network supply points (NSPs) or ICPs? Please include any new points of connection to your current site(s) or any future site(s)*
- (b) act as a retailer that purchases from the clearing manager (type 1 retailer) or a retailer that purchases from another retailer (type 2 retailer)*
- (c) allow network electricity to flow through your site*
- (d) create ICP identifiers on your site*
- (e) share your point of connection with any other direct purchasers or retailers*
- (f) carry out any internal change to the electrical configuration of your site that would change your disconnection points noted in the single line diagram provided in response to Q 10 above*
- (g) conduct any development that may not have been covered above?*

- 2) Please confirm that you will advise the Authority of any changes to the information included in this application, or any additional information you become aware of, that could alter your exposure to the electricity market.
- 3) If you are using disconnection, please include a statement that you agree to advise any new related party of the risk of disconnection, and obtain the letter from that new related party as required in Q 13.
- 4) Please include a statement that you accept all of the consequences of the shortened post-default exit period, including disconnection (if applicable), in the event of default.