

**Electricity Industry Participation Code Amendment
(Dispatchable Demand During Tight Market Conditions) 2016**

Under section 38 of the Electricity Industry Act 2010, and having complied with section 39 of that Act, I make the following amendment to the Electricity Industry Participation Code 2010.

At Wellington on the 31 day of October 2016



Dr Thomas Brent Layton
Chairperson
Electricity Authority

Certified in order for signature:



Barbara Sole
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30 September 2016

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Amendment

- 1 Title**
This is the Electricity Industry Participation Code Amendment (Dispatchable Demand During Tight Market Conditions) 2016.
- 2 Commencement**
This amendment comes into force on 3 November 2016.
- 3 Code amended**
This amendment amends the Electricity Industry Participation Code 2010.

4 Clause 13.13 amended (Information to be contained in bids)

(1) After clause 13.13(1)(aa), insert:

"(c) if it is a **nominated dispatch bid**, specifies a price for each band that is one of the following:

"(i) \$15,000/MWh or less; or

"(ii) if the **Authority** has **published** a price for the purposes of this paragraph, the **published** price; or

"(iii) if the **Authority** has not **published** a price for the purposes of this paragraph, \$600,000/MWh."

(2) After clause 13.13(1), insert:

"(1A)The **Authority** may **publish** a price for the purposes of subclause (1)(c) if,—

"(a) the **system operator** has given to the **Authority** an updated list of values of model parameters in accordance with clause 13.189(2)(a), and the **Authority** has considered any advice it has received from the **system operator** under clause 13.189(2)(b) and (2A); or

"(b) the **Authority** considers that it is necessary to **publish** a new price."

5 Clause 13.189 amended (System operator to give pricing manager list of model variable values)

(1) In the heading to clause 13.189, after "pricing manager", insert "and Authority".

(2) Revoke clause 13.189(1).

(3) In clause 13.189(2), after "immediately", insert "—".

(4) In clause 13.189(2), replace "give the **pricing manager** an updated list of values" with:

"(a) give the **pricing manager** and the **Authority** an updated list of values in writing; and

"(b) advise the **Authority**, in relation to the price under clause 13.13(1)(c)(ii), or clause 13.13(c)(iii) if there is no price **published** under clause 13.13(1A), if—

"(i) the price remains appropriate; or

"(ii) a new price is appropriate".

(5) After clause 13.189(2), insert:

"(2A)If the **system operator** advises the **Authority** that a new price is appropriate under subclause (2)(b)(ii), the **system operator** must give to the **Authority** in writing the proposed new price, and an explanation for the proposed new price."

(6) In clause 13.189(3), after "**pricing manager**", insert "and the **Authority**".

(7) In clause 13.189(4),—

(a) delete "the **pricing manager's**"; and

(b) after "agreement in writing", insert "from both the **pricing manager** and the **Authority**".

Explanatory Note

This note is not part of the amendment, but is intended to indicate its general effect.

This amendment to the Electricity Industry Participation Code 2010 (Code) comes into force on 3 November 2016.

The amendment amends clauses 13.13 and 13.189 of the Code to restrict the bid prices for dispatch-capable load stations.

Date of notification in the *Gazette*: 6 October 2016