# Code amendment omnibus #7: Consumer Care and AUFLS

Decision paper

17 November 2026

ELECTRICITY AUTHORITY
TE MANA HIKO

# Executive summary

The Electricity Authority Te Mana Hiko (Authority) proposed targeted changes to the Electricity Industry Participation Code 2010 (Code) in our *Code amendment omnibus #7 consultation*. In September, we published our decisions on proposals relating to improving undercharging requirements and clarifying retail tariff plans.

This paper sets out our decisions on the remaining omnibus #7 proposals:

- updating the definition of 'business days' under Part 11A – Consumer Care
- refining retailers' record retention obligations under Part 11A – Consumer Care
- requiring annual director certification of compliance with automatic under-frequency load shedding (AUFLS) Code requirements.

### Updating the definition of 'business day' under Part 11A

We proposed amending the definition of 'business day' in Part 11A to ensure consistency in the treatment of regional anniversary holidays and equivalent protections for consumers in all regions under the consumer-facing provisions of the Consumer Care Obligations.

After considering submissions, we have decided to:

- amend the definition of 'business day' as it applies to Part 11A by removing the reference to Wellington Anniversary Day, so that all regional anniversary days are treated consistently
- make consequential changes to the Consumer Care Obligations to ensure that the change does not effectively reduce consumer protections, including by increasing some consumer-facing timeframes by one business day.

**Section 4** addresses our decision on the definition of 'business day'.

### Refining retailers' record retention obligations under Part 11A

We proposed Code changes to introduce a new exception to the record retention requirements for the Consumer Care Obligations, so that retailers are only required to retain records for 10 years from the date of the activity to which the record relates.

After considering submissions, we have decided to proceed with the proposal as consulted on, with minor changes to the wording to clarify its operation.

**Section 5** addresses our decision on record retention obligations.

### AUFLS annual director certification

We proposed annual director certification of compliance with AUFLS obligations to strengthen accountability and provide greater assurance that participants are meeting their Code obligations.

After considering submissions, we have decided to proceed with the proposal as consulted on, with minor changes to the wording to clarify and refine the proposal and correct typographical errors.

**Section 6** addresses our decision on AUFLS certification.

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# 1. Purpose of this decision paper

1.1. This paper sets out the Electricity Authority Te Mana Hiko (Authority) decisions on three proposals to amend the Electricity Industry Participation Code 2010 (Code) through Code omnibus #7.

1.2. On 15 July 2026, the Authority published the consultation paper: *Code amendment omnibus #7: clarification to consumer care and billing refinements and director certification for AUFLS and other amendments*.

1.3. On 28 September 2026, we published decisions on three proposals from this consultation relating to:

- the recovery of undercharged amounts from domestic and small business consumers
- the definition of generally available retail tariff plans
- technical and non-controversial changes to prescribed forms for consumption information.

1.4. Those decisions related to upcoming Code amendments and were prioritised to provide industry participants with timely clarity on the upcoming changes.[1]

1.5. This paper sets out our decisions on the remaining three omnibus #7 proposals:

- updating the definition of 'business days' under Part 11A
- refining retailers' record retention obligations under Part 11A
- requiring annual director certification of compliance with automatic under frequency load shedding (AUFLS) Code requirements.

[1] The Electricity Industry Participation Code (Improving Access to Product Information) Amendment 2026 came into force on 30 October 2026 and Electricity Industry Participation Code (Improving Electricity Billing) Amendment 2026 comes into force on 1 April 2027.

# 2. Submissions on Code amendment omnibus #7

2.1. We received 17 submissions on the consultation paper from the parties listed in Table 3.[2] The following sections summarise the feedback we received and explains how that feedback informed our decisions.

**Table 3: List of submitters**

| Submitter | Role | Proposal(s) addressed[3] |
|---|---|---|
| 2degrees | Retailer | Billing, tariffs and consumer care |
| Buller Electricity Limited (Buller) | Distributor | All |
| Contact Energy | Retailer | Billing |
| Electric Kiwi | Retailer | Billing |
| Electricity Retailers' and Generators' Association of New Zealand (ERGANZ) | Industry Association | All |
| Genesis Energy | Retailer | Billing, tariffs, consumer care, technical amendments |
| Mercury NZ Limited (Mercury) | Retailer | Billing, tariffs, consumer care, technical amendments |
| Meridian Energy Limited (Meridian) | Retailer | Billing, tariffs and consumer care |
| Major Electricity Users' Group (MEUG) | Industry Association | AUFLS |
| New Zealand Steel Limited (NZ Steel) | Connected Asset Owner | AUFLS |
| Orion NZ Ltd (Orion) | Distributor | AUFLS |
| Simply Energy | AUFLS provider | AUFLS |
| Transpower New Zealand Limited as grid owner (grid owner) | Grid Owner | AUFLS |
| Transpower New Zealand Limited as System Operator (System Operator) | System Operator | AUFLS |
| Utilities Disputes Limited | Disputes resolution scheme | Billing, tariffs |
| Vector Energy Limited (Vector) | Distributor | AUFLS |
| Wellington Electricity Lines Limited (Wellington Electricity) | Distributor | AUFLS |

[2] Submissions are available at: https://www.ea.govt.nz/projects/all/code-amendment-omnibus/consultation/code-amendment-omnibus-7/

[3] ***labels:** Billing = operational improvements to undercharge obligations, tariffs = generally available retail tariff definition; consumer care = Part 11A consumer care clarifications; AUFLS = annual director certification; technical amendments = prescribed consumption information forms.

# 3. The amendments promote our statutory objectives and are consistent with regulatory requirements

3.1. The Authority's main statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.

3.2. The Authority's additional objective is to protect the interests of domestic and small business consumers in relation to the supply of electricity to those consumers. The additional objective applies only to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

## The amendments are consistent with the Authority's statutory objectives and with regulatory requirements

3.3. After considering submissions on the consultation paper, the Authority considers the Code amendments in this paper are consistent with its statutory objectives and with the requirements of section 32(1) of the Electricity Industry Act. The amendments are also consistent with the Authority's Code amendment principles.

## The benefits of the amendments outweigh their costs

3.4. The Authority has assessed the benefits and costs of the Code amendments and considers each of them delivers a net benefit. Generally, submissions did not materially alter our view on the costs and benefits of the proposals, although we consider that changes made to the 'business day' proposal in response to submission feedback will reduce the administrative complexity and cost of the amendment.

3.5. Our assessment of costs and benefits is set out in the consultation paper, and submission feedback and the Authority's response is set out in the section on each proposal below.

## How the amended Code wording is displayed in this decision paper

3.6. Code amendments in this decision paper are displayed as:

- text or formatting is black underlined where the consultation paper proposed adding to the Code
- text or formatting is ~~black strikethrough~~ where the consultation paper proposed deleting from the Code
- text or formatting is red underlined where drafting changes have been made following consultation
- deleted text is ~~red strikethrough~~ where drafting changes have been made following consultation

# 4. Updating the definition of 'business days' under Part 11A

## The Authority's proposal

4.1. We proposed an amendment to the Code so that the definition of business day for the purposes of Part 11A recognises all regional anniversary holidays. At present, the definition expressly treats Wellington Anniversary Day as a non-business day but does not do the same for other regional anniversary holidays.

4.2. We proposed to address this inconsistent and Wellington-centred outcome by amending the definition of business day for the purposes of Part 11A to:

(a) exclude the regional anniversary holiday relevant to the retailer, based on the retailer's physical address recorded in the register of industry participants, where the retailer must or may do something within a specified timeframe; and

(b) otherwise exclude the regional anniversary holiday relevant to the consumer, based on the location of the consumer's Installation Control Point (ICP).

4.3. The proposal intended to use the location of the premise associated with the relevant ICP for consumer-facing provisions to provide an objective and readily identifiable basis for determining which regional anniversary holiday applies.

4.4. Where the provision is not consumer-facing, the regional anniversary holiday observed by the relevant participant would apply, based on the participant's address on the participant register.

## We have decided to implement the proposal with changes

4.5. We have decided to:

(a) amend the definition of business days as it applies to Part 11A to exclude the explicit reference to Wellington Anniversary Day

(b) add an additional day to consumer facing timeframes to reflect that regional anniversary days will be recognised as 'business days' under Part 11A

(c) amend clauses that specify— that a retailer must not electrically disconnect a customer or premise at a time that would mean it is unreasonably difficult to seek rapid reconnection— to include reference to regional anniversary days as a consideration.

## Submissions on the proposed amendment

4.6. Six submitters commented on this proposal: 2degrees, Buller Electricity Limited (Buller), ERGANZ, Genesis, Mercury and Meridian. Genesis, Mercury and Meridian generally referred to or reiterated ERGANZ's submission.

### Submitters supported addressing the problem but differed on the solution

4.7. All 6 submitters recognised that the current definition treats Wellington Anniversary Day differently from other regional anniversary days and supported addressing the inconsistency.

4.8. ERGANZ agreed the current approach created a Wellington centric outcome with no clear basis. Buller similarly considered all regions should receive equivalent treatment.

4.9. While submitters agreed on the problem, the preferred treatment of regional anniversary days differed. Buller supported the proposed approach and considered the customer's ICP and the retailer's registered physical address should provide sufficient reference points but supported clear guidance and an authoritative mapping of ICP locations to anniversary days. Other submitters proposed alternative approaches (either in full or part).

### Most submitters considered location-based calculations difficult to implement

4.10. Five submitters raised concerns with making Part 11A business-day calculations depend on the customer's ICP. 2degrees considered that multiple business-day definitions and different location tests would create unnecessary complexity. ERGANZ submitted that provincial boundaries are not recorded in the registry, do not align with modern administrative boundaries, and that observed anniversary dates are not fixed by statute.

4.11. ERGANZ considered some locations (e.g. Otago and Westland) may present no single determinable anniversary day. They also noted that retailer billing, credit and customer care systems generally use a signal national calendar, so the proposal would require new location-based calculations and an ongoing mapping that no existing dataset supplies. Mercury agreed with these concerns and encouraged further work on the operational implications. Genesis and Meridian referred to or reiterated ERGANZ's submission.

4.12. Some submitters also queried whether using the retailer's registered physical address was workable or effective. ERGANZ considered it a poor proxy because retailers may facilitate their different business functions through staff located within different areas (e.g. contact centres, credit teams and field functions across multiple regions or through outsourced providers). Buller considered that addresses would be workable if the Code or guidance makes it determinative regardless of where staff or service providers perform the relevant function.

### Most submitters preferred a single national Part 11A calendar

4.13. ERGANZ (supported by Mercury, Meridian and Genesis) and 2degrees preferred a simpler national approach. They supported removing Wellington Anniversary Day from the Part 11A definition so that no provincial anniversary day is treated as a non-business day for Part 11A purposes.

4.14. These submitters considered this national approach would remove the anomaly completely, preserve a single calendar, and avoid requiring participants to identify provincial boundaries or locally observed dates.

4.15. ERGANZ considered it would also be the least costly option because it removes an existing exception rather than introducing a location parameter into every affected calculation.

### Submitters considered adding an extra day to consumer facing timeframes would retain current protections

4.16. In addition to submitter support for a single national Part 11A calendar, ERGANZ (supported by Genesis and Meridian) submitted the Authority should add one business day to the identified consumer-facing timeframes so consumers would not receive less protection than Wellington consumers receive under the current definition. Mercury supported this proposed alternative in full.

### Submitters provided feedback should the Authority decide to progress with the original proposal

4.17. ERGANZ submitted feedback seeking particular action from the Authority, should the proposed amendment be progressed as is drafted in the consultation paper.[4] ERGANZ raised that if the proposal goes ahead in the manner currently drafted, the Authority should address the following:

(a) Authority-declared non-business days

(b) support the provision of a binding map for which retailers can use to for reference when determining regional holidays for ICP locations

(c) confirm how clause 35 of Schedule 11A.1, which is a distributor obligation, applies in respect to referencing the anniversary day observed by the residential consumer

(d) the reason for differing use for national holidays vs public holiday currently used.

4.18. Mercury requested further assessment of operational impacts, while Genesis and Meridian adopted ERGANZ's drafting concerns. Buller generally supported the drafting but requested a definitive source of the anniversary day applying to each ICP and confirmation that the registered physical address is determinative.

## The Authority's response to feedback

### Feedback has highlighted the complexity involved in the proposed location-based approach

4.19. Upon considering feedback, we agree with submitters that the proposed location-based approach could create material workability and compliance issues. In particular, the proposal would require participants to identify the province and locally observed anniversary day applying to each customer's ICP which faces practical challenges as not all observed dates are fixed or readily determinable.

4.20. We accept feedback that using a retailer's registered physical address may not reliably reflect where the relevant activity is performed. We had considered this in our development of our proposal but agree with the greater concerns submission feedback has raised about the complexity it introduces. Retailers may operate across multiple regions or use outsourced service providers, and a registered address could therefore

[4] 'Code amendment omnibus #7: clarification to consumer care and billing refinements and director certification for AUFLS and other amendments' consultation paper

produce outcomes that do not correspond with whether the relevant business function is operating on a particular day.

4.21. These concerns are more significant than we assessed in the consultation paper. The proposed approach would require permanent changes to business-day calculations and an ongoing mapping process, while still leaving a risk that participants and the Authority could reach different conclusions for the same location. We therefore do not consider the proposed location-based mechanism, in this instance, and would provide a sufficiently certain or operationally workable basis for compliance in respect to Part 11A.

**We will adopt a single national calendar for Part 11A**

4.22. We have decided not to proceed with the location-based approach in Appendix C. Instead, we will amend the Code to reflect that the definition of 'business day' as it applies to Part 11A does not explicitly reference Wellington Anniversary Day.

4.23. This approach removes the existing regional inconsistency, preserves a single national calendar and avoids requiring participants to identify provincial boundaries or maintain location-specific holiday mappings. It is simple to implement, administer and monitor.

**We will add an additional day to all consumer facing timeframes that reference 'business days'**

4.24. Removing the exclusion of Wellington Anniversary Day from the 'business day' definition applying to Part 11A will mean all regional anniversary days are treated as business days.

4.25. In isolation, this change would simply extend to Wellington based consumers the same disadvantage experienced by consumers in other regions. That is, a consumer potentially having less practical ability to take required action in situations where a regional anniversary day (that is not Wellington Anniversary Day) falls within a consumer protection timeframe.

4.26. We agree with submitters and we consider it practical to add one business day to the relevant consumer-facing clauses within Part 11A identified in the consultation paper[5] to offset this effect identified above. These clauses refer to Code obligations that set out explicit timeframes for consumers to provide information to their retailer or to act e.g. applying to confirm status as a medically dependent consumer.

4.27. Adding one business day to these timeframes will ensure that where a regional anniversary day falls within the timeframe, the consumer will have the same period in which to act as a consumer currently has where the timeframe is unaffected by a regional anniversary day.

4.28. The change will mean that where no regional anniversary day falls within this timeframe, the consumer will receive an additional day than under the current arrangements. While this will extend the mandated timeframes and require some system changes for retailers to implement, the changes will be a uniform, one-off change rather than changes that will need to be made region-specific and then reassessed on an ongoing basis as regional anniversary days for coming years are set.

[5] Clauses 32, 35, 36(1)(d), 38(1)(b), 42(b), 44(a)(ii), 48, 53(2), 55, 63 as set out in 'Table 1: Part 11A references to 'business day' in our published Code amendment omnibus #7: clarification to consumer care and billing refinements and director certification for AUFLS and other amendments.

4.29. On balance, we consider this approach is still preferable to the initial proposal, as it addresses the disadvantages identified in the initial proposal and avoids introducing the complexity associated with identifying regional anniversary days discussed above.

**We have decided to retain the length of retailer facing timeframes that reference 'business days'**

4.30. We have not added a day to participant-facing timeframes because we consider the impact of treating Wellington Anniversary Day as a business day for the purposes of these Part 11A obligations is less material.

4.31. The affected obligations are limited in number and application. They relate to process requirements for an independent review,[6] and obligations on retailers to action referrals or contact a customer in certain situations.[7] When a timeframe falls over a regional public holiday, counting that day will not reduce consumer protection, and is unlikely to have a material impact on retailer business operations.

4.32. Furthermore, evidence of compliance to date suggests that retailers have not found the existing timeframes generally unworkable or have caused material compliance difficulty. We also note that in practice, the Authority engages closely with participants ahead of time related obligations to support them meeting their obligation in the required time or provides support where more time is needed. For these reasons, we consider the existing timeframes remain reasonable and workable.

4.33. For obligations relating to timeframes requiring a retailer to communicate with a consumer, these timeframes regulate when the retailer must act, rather than the period available to the consumer to exercise a right or take a required step. Extending these timeframes could delay consumers receiving useful information, or contact intended to support timely engagement and protection.

4.34. We therefore consider adding an additional day would be broader than necessary to address the limited effect on these requirements, and do not warrant the same changes we consider are required for consumer-facing timeframes.

**Consequential changes to other 'business day' references in Part 11A**

4.35. The Consumer Care Obligations prohibit a retailer from disconnecting a premises at a time at which it would be unreasonably difficult to seek rapid reconnection, which may include a non-business day, or after midday on the day before a non-business day.[8]

4.36. The proposed amendment would have clarified that the reference to non-business day in this context includes the regional anniversary day relevant to the consumer. This is an important protection. To ensure the policy intent of the proposal is still achieved in the context of a single national calendar for Part 11A, we have decided to amend these clauses directly, to include a reference to the relevant regional anniversary day as a further example of when it may be unreasonably difficult to seek rapid reconnection.

4.37. We do not consider that this change gives rise to the same issues as other clauses that require standardised calculations of business days in more routine customer communications. Before disconnecting a premises, retailers must already satisfy

[6] Clauses 11A.8 and 11A.10.

[7] Clauses 5, 25 and 42(b) of Schedule 11A.1.

[8] Clauses 36(1)(d), 38(1)(b), and 44(a)(ii) of Schedule 11A.1.

themselves that disconnection will not happen at a time at which it would be unreasonably difficult to seek rapid reconnection, with the proximity of non-business days a relevant factor alongside other factors such as severe weather events. Given the premises-specific inquiry that is already required, and the fact that the inquiry is carried out close in time to the proposed disconnection date, we expect it will be relatively straightforward for retailers to identify if the proposed disconnection date occurs on or before the relevant regional anniversary.

4.38. We have considered, but do not prefer addressing this in guidance on the Consumer Care Obligations. Including a reference to regional anniversary days in the Code provisions themselves will best ensure they are given proper consideration in the limited, case-specific circumstances in which they are engaged.

### The amendment will promote the Authority's objectives

4.39. The Code amendment is consistent with the Authority's main statutory objective, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry by:

(a) ensuring consistent and appropriate treatment of public holidays for the purposes of Part 11A across all regions, and

(b) reducing the risk of inconsistent interpretation and application.

4.40. The adoption of a single national calendar for the purposes of Part 11A, over a location-based approach, will better promote efficient operation of the electricity industry for the reasons discussed above.

4.41. The amendment will also promote the protection of the interests of domestic consumers in relation to the supply of electricity to those consumers, by ensuring they receive the same time-bound protections whether they reside within or outside the Wellington region.

4.42. The proposal may also indirectly support reliable supply, by reducing the risk of disconnection at times when rapid reconnection may be difficult (recognised in the Code as potentially including non-business days and the afternoon before a non-business day).

### The benefits of the amendments outweigh its costs

4.43. The primary benefit identified in the consultation paper was to resolve the current anomaly under which Wellington Anniversary Day is treated differently to other regional anniversary days for the purposes of Part 11A. Submitter feedback has strengthened our assessment of this view, and we maintain that amending the Code to remove this anomaly will support retailers to consistently apply 'business days' throughout Part 11A.

4.44. Feedback on the consultation paper, however, demonstrated that the complexity, and therefore the cost, of implementing the proposal as consulted on would likely be greater than originally contemplated. We have therefore revised our proposal to ensure the costs do not outweigh the benefit to be obtained. We consider the final Code amendment provides a materially more efficient means of achieving the intended consumer outcomes set out in the consultation paper.

4.45. The amendment will require participants to make limited updates to their systems, procedures and customer communications to reflect the national definition and the

adjusted consumer-facing timeframes, and to ensure their inquiries into proposed disconnection dates for residential premises checks for regional anniversary days. We expect these costs to be lower than the costs of implementing the proposed Code amendment as consulted on, given the adjustments made to the proposal in response to submitter feedback, discussed above.

4.46. We therefore consider its benefits materially outweigh its costs.

### We consider our approach is preferable to alternatives

4.47. The status quo would preserve the different treatment of Wellington Anniversary Day compared to other regional anniversary days. Guidance alone cannot alter the legal meaning of the Code.

4.48. The proposal as initially consulted on would align each timeframe with the relevant consumer or participant but would require complex system changes that carried costs beyond the benefits that would be provided.

4.49. We note we did consider an alternative in the consultation paper that proposed to remove the reference to Wellington Anniversary Day and replace it with a reference to the locally observed anniversary day. However, that alternative was not preferred as it would not clarify how the 'locally observed' anniversary day would be established, for example, when the retailer and a customer are in different regions.

4.50. The final approach therefore provides the best balance of consistent consumer protection, efficient implementation, and regulatory certainty.

### Final Code amendment

4.51. The Code amendment will come into force on 1 April 2027, to coincide with the commencement of the other upcoming amendments to Part 11A. The approved Code wording below is below and is based on the version of the Code that will be in effect from that date:

## Part 1 Preliminary provisions

**1.1 Interpretation businesses is to be specified in bids or offers**

(1) In this Code, unless the context otherwise requires

**business day** means, —

(a) for the purposes of Part 6, any day of the week other than Saturday, Sunday, or a public holiday within the meaning of the Holidays Act 2003;

(aa) for the purposes of Part 11A, any day of the week other than Saturday, Sunday, or a **national holiday**~~s, and the day of the anniversary of a province or the day observed as that day~~

~~(i) in the province in which the **retailer's** physical address, as recorded on the **register**, is located, for the purposes of clauses 11A.8, 11A.10, and clauses 5, 25 and 42 of Schedule 11A.1; or~~

~~(ii) in the province in which the relevant **ICP** is located, for all other purposes~~; and

(b) for the rest of the Code, any day of the week except Saturdays, Sundays, **national holidays**, the day observed as a Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

# Part 11A
# Consumer Care

## Schedule 11A.1 Consumer Care Obligations

## Part 7
## Disconnection and reconnection of residential premises

*Disconnecting post-pay customers for non-payment of invoices*

**32 Additional conditions for invoices using estimated readings**

(1) A **retailer** must not **electrically disconnect** a **post-pay customer's** premises for non-payment of an **invoice** that uses an **estimated reading** unless the **retailer** is reasonably satisfied that:

(a) the **estimated** reading used in that **invoice** is a reasonable estimation of actual consumption; and

(b) at least 1 of the following applies:

(i) a **meter reading** is not available due to:

(A) the **customer** obtaining **electricity** by or involving deception;

(B) vandalism; or

(C) an issue with the **metering installation**;

(ii) the **retailer** cannot obtain a **meter reading** due to its, or another person's, obligations under the Health and Safety at Work Act 2015; or

(iii) both of the following apply:

(A) the **customer** has, for at least 2~~0~~1 **business days**, failed to respond to or refused requests from the **retailer**, or the **retailer's** agent, for access to a **metering installation** at the **customer's** premises for the purpose of obtaining a **meter reading** or carrying out a **metering installation** repair, replacement or certification; and

(B) the **retailer** does not accept any meter reading provided by the **customer** because any of the circumstances in subclause (2) apply.

…

**35 Restriction on disconnection for non-payment by distributor**

(1) This clause applies if a **distributor** directly invoices **residential consumers** for **distribution** services.

(2) A **distributor** must not **electrically disconnect** a **residential consumer's** premises for non-payment in respect of **distribution** services if that **distributor** has been notified of an application or a decision to record a person as a **medically dependent consumer** in relation to those premises under clause 51.

(3) A **distributor** must not otherwise **electrically disconnect** a **residential consumer's** premises for non-payment in respect of **distribution** services unless the **distributor** has provided at least ~~5~~6 **business days'** notice to the **retailer** who is the **trader** recorded in the **registry** as being responsible for the relevant **ICP**.

*Disconnecting uncontracted premises*

**36 Disconnection of uncontracted premises**

(1) A **retailer** must not **electrically disconnect uncontracted premises**, unless:

(a) the **retailer** has confirmed that the premises are not being switched to another **retailer**;

(b) the **retailer** has issued a notice to any **residential consumers** at the premises encouraging them to contact a **retailer** to sign up as a new **customer**;

(c) the **retailer** has given any **residential consumers** at the premises no less than 7 days' notice of **electrical disconnection**;

(d) the **electrical disconnection** is to be carried out at a time that would not endanger the wellbeing of any **residential consumer** at the premises (which may require **electrical disconnection** to occur at times other than just before nightfall or during a severe weather event) or at a time at which it would be unreasonably difficult for any **residential consumer** to seek rapid **reconnection** (which may require **electrical disconnection** to occur at times other than after midday on the day before, or on the day of, a non-**business day** or a day observed as the anniversary day of the province in which the premises is located, ~~on a non-**business day**,~~ at night, during a severe weather event or during a civil emergency); and

(e) in the case of remote **electrical disconnection** of the premises, the **electricity meter** or disconnection device to be used can safely **electrically disconnect** the premises.

…

*Restrictions on disconnecting post-pay customers*

**38 Restrictions on disconnecting premises**

(1) Notwithstanding anything else in these **Consumer Care Obligations**, a **retailer** must not **electrically disconnect** a **post-pay customer's** premises in any of the following circumstances:

(a) the **retailer** has failed to comply with any relevant obligations in this Part of the **Consumer Care Obligations** in relation to that **customer**;

(b) the **electrical disconnection** is to be carried out at a time that would endanger the wellbeing of the **customer** or any **residential consumer** at the premises (which may include just before nightfall or during a severe weather event) or at a time at which it would be unreasonably difficult for the **customer** or **residential consumer** to seek rapid **reconnection** (which may include after midday on the day before, or on the day of, a non-**business day** or a day observed as the anniversary day of the province in which the premises is located, ~~on a non-**business day**,~~ at night, during a severe weather event or during a civil emergency);

(c) in the case of remote **electrical disconnection** of the premises, the **electricity meter** or disconnection device to be used cannot safely **electrically disconnect** and/or **reconnect** the premises;

(d) in the case of **electrical disconnection** for non-payment of an **invoice**, the debt does not relate to **electricity** supply (which may include because it relates to telephone or broadband services); and

(e) in the case of **electrical disconnection** for non-payment of an **invoice**, the **customer** disputes the charges relating to the **electricity** supply and:

(i) the **customer** is engaging with the **retailer's** internal dispute resolution process and/or the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act** in good faith;

(ii) the dispute is unresolved; and

(iii) the **customer** has paid all other charges and parts of any charges relating to **electricity** supply that are not disputed (the **retailer** having credited, with the **customer's** agreement, any part-payment to the **electricity** supply portion of its **invoice** to a **customer's** non-disputed debt first).

(2) Subclause (1) does not apply to emergency **electrical disconnections**.

…

*Disconnecting prepay customers*

**44 Restrictions on disconnecting a prepay customer's premises**

A **retailer** must ensure a **prepay customer** is not **electrically disconnected** for running out of credit, unless:

(a) the **electrical disconnection** occurs at a time:

(i) that does not endanger the wellbeing of the **customer** or any **residential consumer** at the premises (which may require **electrical disconnection** to occur at times other than just before nightfall or during a severe weather event); and

(ii) at which it would be reasonably easy for the **customer** to seek rapid **reconnection** (which may require **electrical disconnection** to occur at times other than after midday on the day before, or on the day of, a non-**business day** or a day observed as the anniversary day of the province in which the premises is located, ~~on a non-**business day**,~~ at night, during a severe weather event or during a civil emergency);

(b) the **prepay** service can safely **electrically disconnect** and **reconnect** the premises;

(c) the expiry of the pre-paid credit relates to the supply of **electricity** (and does not relate to other matters such as telephone or broadband); and

(d) either of the following apply:

(i) the **customer** has not disputed the charges through the **retailer's** internal dispute resolution process or the dispute resolution scheme identified under clause 3 of Schedule 4 of the **Act**; or

(ii) if the **customer** has disputed the charges, the **customer** has not paid all other charges and parts of any charges relating to **electricity** supply that are not disputed, the **retailer** having credited, with the **customer's** agreement, any part-payment to the **electricity** supply portion of the **invoice** to the non-disputed charges first.

…

## Part 8
## Obligations in relation to medically dependent consumers

*Recording and verifying medically dependent consumer status*

**48 Retailer must request application for medically dependent consumer status**

(1) A **retailer** must, as soon as practicable after it becomes aware of information that a reasonable **retailer** would consider indicates that a **customer** or **residential consumer** who permanently or temporarily resides at a **customer's** premises may be a **medically dependent consumer**, use best endeavours to request that they make an application (in any form) for **medically dependent consumer** status with the **retailer**.

(2) The **retailer** must advise the **customer** or **residential consumer** under subclause (1) that if the **retailer** does not receive an application (in any form) within a period specified by the **retailer**, which must be least 2~~1~~2 **business days**, the **retailer** may decide to no longer regard that **customer** or **residential consumer** as someone who may be a **medically dependent consumer**.

(3) Subclause (2) does not apply if the **retailer** records the **customer** or **residential consumer** as a **medically dependent consumer** under clause 49.

**53 Retailer's obligations in respect of confirmation of status forms**

(1) Where the **retailer** has received a **confirmation of status form**, the **retailer** must record the following information in respect of that **confirmation of status form** and any subsequent **reconfirmation form** received:

(a) when the form was received;

(b) the name of the **health practitioner** who completed the form;

(c) the date on which the form was completed by the **health practitioner**; and

(d) the time period to which the **health practitioner's** confirmation given in the form applies, if any period is specified.

(2) If a **retailer** does not receive a valid **confirmation of status form** after a period of at least 2~~1~~2 **business days** after making a request under clause 50(1)(d), and is considering declining the application under subclause (4), the **retailer** must advise the applicant that:

(a) the applicant must provide a valid **confirmation of status form** as soon as practicable;
(b) if the **retailer** does not receive a **confirmation of status form** within a period specified by the **retailer**, which must be least 1~~0~~1 **business days**, the **retailer** may decide to decline the application; and
(c) the applicant should, as soon as practicable, contact the **retailer** if they are unable to provide a **confirmation of status form** within the period specified in paragraph (b).

…

**55 No response to questions**

If a **retailer** receives an application for **medically dependent consumer** status but the applicant does not respond to any questions from the **retailer** communicated to the applicant using the applicant's communication information recorded under clause 13 or 47, and does not otherwise communicate with the **retailer** within a period of at least 2~~1~~2 **business days**, the **retailer** may decline the application to record the applicant has **medically dependent consumer** status.

…

**63 Circumstances where customer or residential consumer may no longer be considered a medically dependent consumer**

(1) A **retailer** may no longer regard a **customer** or **residential consumer** as someone who may be a **medically dependent consumer** in any of the following circumstances:
(a) where the **customer** or **residential consumer** requests that they no longer be regarded as a **medically dependent consumer**;
(b) where the **customer** or **residential consumer** no longer receives **electricity** from the **retailer**;
(c) where a **retailer** has complied with clause 48, and has not received an application (in any form) for **medically dependent consumer** status within at least 2~~1~~2 **business days** of attempts to contact that **customer** or **residential consumer**; and
(d) where the **retailer** has validly declined an application for **medically dependent consumer** status under this Part of the **Consumer Care Obligations**.

(2) If a **retailer** no longer regards a **customer** or **residential consumer** as someone who may be **medically dependent consumer** in the circumstances listed in subclause (1)(a), (b) or (c), the **retailer** must:
(a) notify the **customer** and/or **residential consumer** as soon as practicable of the **retailer**'s decision; and
(b) inform them of the matters in clauses 56(b) and (c).

# 5. Refining retailers' record retention obligations under Part 11A

## The Authority's proposal

5.1. We proposed to amend clause 11A.6 to provide that retailers are not required to retain records under Part 11A for more than 10 years from the date of the activity to which the records relate. This would address a gap in the current obligation, which is to retain records for five years from the date a customer contract is terminated. The Code is currently silent on existing customers – the longer the customer relationship, the longer the effective retention period will be.

5.2. The proposed amendment would ensure that retailers are not required to retain records for longer than is reasonably necessary. It is a principle of privacy law in New Zealand that agencies must not retain personal information for longer than is required for the purposes for which the information may lawfully be used.[9] While agencies do not breach this principle when complying with the Code,[10] this principle should guide record retention periods in the Code.

5.3. We consider the 10-year limitation period on the Authority exercising its powers in relation to an alleged breach of the Code provides an appropriate maximum mandatory record retention period.[11]

## We have decided to implement this proposal with minor changes

5.4. We have decided to implement this proposal with minor changes to clarify its operation in response to feedback. The Code will be amended to provide that, despite the obligation in clause 11A.6(2), a retailer is not required to retain a record under Part 11A for more than 10 years from the date of the activity to which the record relates.

## Submissions on the proposed amendment

5.5. Six submitters commented on this proposal: 2degrees, Buller, ERGANZ, Genesis, Mercury and Meridian. Genesis, Mercury and Meridian generally referred to or reiterated ERGANZ's submission.

### Submitters generally supported the proposal

5.6. Submitters supported limiting the mandatory retention period to ten years from the date of the relevant activity. Mercury considered the period proportionate because it aligns with the Authority's enforcement timeframes. Buller similarly agreed with the proposal's stated benefits.

5.7. ERGANZ considered the enforcement limitation period provides a principled basis for the ten-year maximum. It also submitted that the amendment should have little or no implementation cost because it relieves an existing obligation rather than imposing a new one. Genesis and Meridian supported/adopted these views.

[9] Privacy Act, Information Privacy Principle 9.

[10] By operation of section 24(2).

[11] Section 52 of the Electricity Industry Act.

5.8. ERGANZ considered a Code amendment preferable to guidance because guidance cannot alter the existing legal obligation.

5.9. ERGANZ suggested that a single retention rule measured from the date of the activity would be simpler to implement and audit than retaining both the customer-relationship test and the proposed activity-date cap. Buller shared this sentiment.

### Submitters sought clearer drafting and confirmation of Privacy Act alignment

5.10. 2degrees supported the proposal but asked the Authority to ensure the final drafting is clearly consistent with the Privacy Act and informed by engagement with the Privacy Commissioner. It considered this important because the records may contain sensitive personal information and should not be retained for longer than reasonably necessary.

5.11. ERGANZ considered the policy intent was correct but submitted that the proposed wording could be read as requiring every record to be retained for ten years, rather than imposing a maximum. It suggested stating expressly that a retailer is not required to retain a record for more than ten years from the date of the relevant activity. Genesis and Meridian referred to or reiterated ERGANZ's drafting comments.

5.12. ERGANZ also asked the Authority to confirm that the amendment does not require destruction at ten years and does not prevent retention for another lawful purpose, including a live dispute, an anticipated proceeding or compliance with the Privacy Act. Buller supported the proposed drafting without additional comments.

## The Authority's response to feedback

### We will proceed with a ten-year maximum mandatory retention period

5.13. We have decided to proceed with the proposal to limit the period for which clause 11A.6(2) requires a retailer to retain a record to a maximum of ten years from the date of the activity to which the record relates. We consider ten years provides an appropriate and principled maximum, for the reasons set out in the consultation paper.

### We have clarified the drafting in response to feedback

5.14. The policy intention of the proposal is to clarify that a retailer is not required to retain records for more than ten years. It is intended to address a gap in the current framework which does not provide for the situation of existing customers. It will not require destruction after ten years (or after five years from a customer relationship being terminated, or from the disconnection of an uncontracted premises).

5.15. Whether a record may or should be retained after that point in time will be at the retailer's discretion, informed by their own operational processes and other applicable legal obligations, including under the Privacy Act.

5.16. We have made a minor change to the drafting to clarify this operation.

5.17. In practice, the Code-required minimum retention date for each record will be the earlier of either:

(a) five years after the relevant contract ends or the uncontracted premises are disconnected; and

(b) ten years after the activity recorded.

5.18. Examples of how this would operate in practice are set out below.

**Figure 1: Examples of requirement in practice**

| Customer example | Code-required retention until / reason |
|---|---|
| Customer A has been a customer of the retailer for 4 years, at which point the contract is terminated. | The retailer must retain all records for five years from contract termination. |
| Customer B has been a customer of the retailer for 12 years, and remains a customer | The retailer must retain records for at least 10 years from the date the record relates, so at the 12-year point, records from the first 2 years are no longer required to be retained. |
| Customer C has been a customer for 12 years, at which point the contract is terminated | The retailer must retain records for five years from contract termination, other than any records from the first 2 years of the customer's contract.<br><br>Any customer records that reach the 10-year point during the 5-year post-termination period are no longer required to be retained. |

## The Authority consider this Code amendment is consistent with the principles of the Privacy Act

5.19. The Authority considers that the proposed record retention requirements are consistent with the principles of the Privacy Act. The retention period is intended to support compliance monitoring and potential enforcement activity, providing a clear purpose for the collection and retention of information.

5.20. Notwithstanding this, the Authority acknowledges that the record-keeping obligations apply broadly to records relating to activities regulated under the Code and recognises the importance of ensuring that these obligations remain appropriate and proportionate in practice.

5.21. The Authority therefore intends to keep the information collection and record retention requirements under review as part of any future operational review of the Consumer Care Obligations. This would provide an opportunity to assess whether the obligations continue to meet their intended purpose and whether any refinements are warranted to avoid unnecessary collection or retention of information.

## The amendment will promote the Authority's objectives

5.22. The Code amendment set out above is consistent with the Authority's main statutory objective, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry. It will remove an obligation to retain records beyond the period reasonably required, reduce unnecessary storage and information-management activity, and provide a clearer limit that retailers can implement and audit consistently.

## The benefits of the amendments outweigh its costs

5.23. Submission feedback has confirmed the Authority's view that the main benefits of the amendment are reduced privacy, security, storage and information-management risks, together with lower administrative costs from not having to retain records for an unnecessarily long period. The amendment also gives retailers and consumers greater certainty about the maximum period for which the Code requires records to be retained.

5.24. The amendment may require retailers to review their retention schedules, system rules and disposal processes. We expect these costs to be minor because the amendment relieves an existing obligation, does not require records to be destroyed at ten years, and allows retailers to retain records where another lawful purpose applies. We also consider internal review of record retention to be a business-as-usual activity participants would carry out on their own accord.

5.25. The amendment does not infringe on the retaining of records needed for compliance investigations, disputes or proceedings. It retains a substantial maximum mandatory period and expressly leaves other lawful retention purposes unaffected. This limits any risk that relevant evidence will be unavailable while avoiding indiscriminate retention.

5.26. We therefore consider the benefits of the amendment materially outweigh its costs.

## We consider our approach is preferable to alternatives

5.27. Retaining the status quo would not address the identified problem, as records may continue to be held for unnecessarily long periods. We also consider guidance would be ineffective as they would not alter the legal effect of clause 11A.6(2) to limit the length of the mandatory retention period.

## Final Code amendment

5.28. The Code amendment will come into force on 1 April 2027, to coincide with the commencement of the other upcoming amendments to Part 11A. The approved Code wording below is below and is based on the version of the Code that will be in effect from that date:

# Part 11A Consumer Care

### 11A.6 Retention of records

(1) A **retailer** must ensure it maintains records of any activity regulated under the Consumer Care Obligations, including records of:
  (a) communications with customers (including information and advice provided to the customer under the Consumer Care Obligations);
  (b) applications to be recorded as a medically dependent consumer and associated matters; and
  (c) **electrical disconnections** and reconnections.

(2) Subject to subclause (3), a ~~A~~ **retailer** must retain records under subclause (1) for a period of 5 years from, as applicable:
  (a) the date the relevant customer contract is terminated; or

(b) the date the uncontracted premises are disconnected.

(3) A **retailer** is not ~~only~~ required to retain a record under subclause (1) for more than ~~a period of~~ 10 years from the date of the activity to which the record relates.

# 6. Annual director certification of compliance with AUFLS obligations

## The Authority's proposal

6.1. We proposed introducing a requirement for annual director certification of AUFLS providers' compliance with AUFLS obligations set out in Part 8 of the Code. We proposed that this certification would be due on 1 June each year. We anticipated that, if the proposal went ahead, the first certification would be due on 1 June 2027.

## We have decided to implement the proposal with changes

6.2. We have decided to implement the proposal to require annual director certification of compliance with AUFLS obligations, with minor changes to the wording to clarify and refine the proposal and correct typographical errors.

6.3. We have refined the Code clauses included in the certification and have excluded obligations that we consider are unnecessary to include in certification or are more appropriately monitored through existing arrangements. The remaining Code clauses apply to North Island asset owners and South Island grid owners only. South Island connected asset owners will therefore not be required to provide an annual director certification.

6.4. A copy of the proposed prescribed form for certification is included in Appendix A of this decision paper. We also plan to publish high-level guidance on completing the AUFLS certification process later in the year.

6.5. The first certification will be due to us **by 5.00pm on 1 June 2027**. The proposed prescribed form sets out how participants will submit the certification each year. This form will be finalised and published once the Code amendment is made.

## Submissions on the proposed introduction of a director certification

6.6. Twelve submitters commented on this proposal. Most submitters were AUFLS providers (North Island distributors and the grid owner). The Authority also received submissions from the System Operator, and some other participants who are interested in AUFLS arrangements. We note that the grid owner, Vector, Wellington Electricity, and NZ Steel will be directly affected. MEUG members who are directly connected to the grid in the North Island will also be directly affected.

6.7. Submitters' views on the proposal were mixed:

(a) Mercury indicated while it would not be directly affected by the proposal, it had no material concerns with it, and considered it appeared proportionate given the importance of AUFLS to power system security and reliability.

(b) Buller indicated it supported the proposal, provided the certification process was proportionate and practical; with a clear, concise form and sufficient lead time so certification would not become disproportionately burdensome for small distributors.

(c) ERGANZ expressed qualified support, subject to clarification of how certification would work if the AUFLS Technical Requirements report (ATR) were amended; the nature of the certification; and ensuring the Authority

maintains a consolidated view of certification across the Code, to ensure timing is workable for participants' directors. Meridian also noted qualified support, reiterating ERGANZ's feedback.

(d) The System Operator expressed qualified support, noting it considered the drafting we consulted on created a much wider compliance framework that extended beyond AUFLS obligations; and recommending the drafting was amended to avoid this outcome.

(e) Vector expressed qualified support, recommending the certification requirement should better reflect the technical nature of AUFLS obligations, and be more closely aligned with existing director certifications in the Code.

(f) Wellington Electricity, Orion, Simply Energy, NZ Steel, and MEUG did not support the proposal, as these submitters considered director-level certification would require an additional compliance burden and costs, without necessarily improving assurance.

(g) The grid owner did not support the proposal, as it considered existing compliance mechanisms; or Code amendments to existing obligations, would be preferable to introducing director certification.

## The Authority's response to feedback

6.8. The Authority identified five key themes across submissions.

### Submitters raised concerns about the additional compliance burden placed on AUFLS providers

6.9. Some submitters, including Mercury and Buller, considered that the importance of AUFLS compliance to system security justified the additional compliance burden associated with director certification. Other participants, including the System Operator and Vector, considered we needed to clarify what the prescribed form would look like to understand the degree of compliance burden we were proposing.

6.10. Some submitters who did not support the proposal, such as Wellington Electricity and Orion, considered that the compliance burden was too significant for an assurance benefit that would not necessarily follow from the proposal.

### We have decided to proceed with the proposal and publish the prescribed form

6.11. On balance, we consider that the benefit of improved assurance for the Authority and System Operator, and increased oversight of AUFLS compliance at the highest level of an organisation, outweighs the relatively small compliance burden expected under this proposal.

6.12. The proposal was not designed to impose materially new obligations on participants. All that is required for certification is as set out in the proposed Code amendment. The participant must certify compliance with the AUFLS obligations in the applicable clauses over the preceding calendar year in the prescribed form. AUFLS providers already have obligations to arrange for and retain records that would be needed to support the certification process.

6.13. The intention was that this would operate like director certifications under other parts of the Code, such as clause 6A.8, which relates to certification of compliance with arm's-length rules, and clause 13.230, which relates to hedge disclosure certification.

6.14. Unlike other compliance reporting obligations (such as Consumer Care Obligation reporting obligations in clause 11A.4), the proposal did not include a requirement to provide additional information beyond certification.

6.15. To provide clarity and certainty, we have published the proposed certification form with this decision paper; and will publish high-level guidance on completing the form later in the year. We expect this should give submitters clearer insight into what compliance with this new obligation should look like.

6.16. In these circumstances, we consider that the compliance burden of AUFLS director certification is relatively small. A high-level certification that relates to an AUFLS provider's compliance history should not create new risk for an AUFLS provider, as long as it is either compliant or informing the System Operator and the Authority if it is not.

6.17. We expect either to be informed of all instances of non-compliance with AUFLS obligations, or for the certification process to identify and report any instances that were not previously notified.

### Some submitters questioned whether director oversight is the appropriate level of governance for AUFLS

6.18. Some submitters questioned whether director oversight was the appropriate level of governance for AUFLS obligations.

6.19. Vector proposed the certification be amended to allow for certification by chief executive, or equivalent person, and noted this is the approach taken for certification for Consumer Care Obligations reporting obligations.

6.20. MEUG noted that directors are not necessarily in the best position to assess compliance with AUFLS obligations, and would rely on technical expertise from staff who are responsible for compliance. Accordingly, MEUG was concerned director certification would add compliance costs, but would not necessarily improve compliance outcomes. Wellington Electricity and Orion raised similar concerns.

6.21. Simply Energy echoed these concerns, and noted it considered the System Operator is best placed to assess compliance with AUFLS obligations.

### We have decided to retain the requirement for a director to certify compliance

6.22. We have decided to retain the requirement for a director to certify compliance.

6.23. AUFLS compliance is the last line of defence in preventing cascade failure. As we noted in the consultation paper, it is appropriate for the highest levels of an organisation to have oversight of a participant's compliance in this area.

6.24. Although we accept there are other examples in the Code of certification at chief executive level, we consider that the relative importance of AUFLS obligations compared to other parts of the Code warrants director certification in each case, as is required for compliance with the non-discrimination obligations. Both the non-discrimination obligations and AUFLS are regulatory priorities for the Authority.

6.25. We do not consider that director certification will materially increase the compliance burden compared with chief executive certification. As noted above, there is no requirement to provide supporting information.

6.26. In addition, we consider that in many cases, chief executives, similar to directors, would need to rely on technical expertise from staff who are involved in AUFLS system compliance. Our expectation is that staff with technical expertise will support directors in understanding what is being certified.

6.27. Director certification will increase visibility of compliance at the highest levels of AUFLS providers, and ensure directors are aware of any compliance concerns and any actions taken to continually maintain compliance.

### Some submitters questioned whether alternative tools could better meet our objectives

6.28. Some submitters questioned whether other regulatory tools could meet our objectives better than director certification. For example, some submitters, including Simply Energy, suggested the System Operator was best placed to certify compliance with AUFLS obligations. The grid owner considered we had not explored relying on our information gathering powers under the Act and Code, or relying on regulation 7 of the Electricity Industry (Enforcement) Regulations, to ensure we are made aware of any non-compliances.

### We consider that annual director certification is the best way to ensure the highest levels of an AUFLS provider are across their organisation's level of compliance with their obligations

6.29. We consider that annual director certification will ensure the highest levels of an AUFLS provider are aware of that AUFLS provider's level of compliance with its obligations, and that this is appropriate and proportionate given the critical importance of AUFLS obligations to system security. Certification will provide an enhanced assurance in addition to what we already receive from the System Operator's annual assessment, and alleged breach reports received under regulation 7 of the Regulations.

6.30. Certification will also help ensure that we are informed about any previously unreported non-compliances from the preceding calendar year. This will work in tandem with the System Operator's annual efforts, to ensure we have the most comprehensive picture of compliance possible.

6.31. In our view, relying on the Authority's information gathering powers is a less efficient and effective measure to achieve these objectives. In the absence of a clear director certification obligation in the Code, an ad hoc requirement to provide information is unlikely to guarantee the same attention, at the highest levels of an AUFLS provider, to AUFLS readiness. It would also provide less certainty to AULFS providers, in terms of the frequency of requests and the nature of the information required under each request.

6.32. We also consider that substantive amendments to the Code are not a workable alternative to director certification. We have not identified any material concerns with the Code obligations themselves. The Code amendment is intended to provide that these obligations are being complied with.

### Some submitters commented on the clauses proposed for inclusion

6.33. Some submitters provided feedback on the specific Code clauses proposed for inclusion in the director certification.

6.34. The System Operator recommended the scope of the certification be limited to AUFLS-specific obligations in the asset owner performance obligations (AOPO), Technical Codes, and Connected Asset Commissioning, Testing and Information Standard (CACTIS), to the extent they applied to asset owners or their assets.

### We have decided to make minor changes to the Code drafting for director certification

6.35. We have decided to refine the list of Code clauses included in the director certification, to ensure certification achieves our objectives of strengthened accountability and greater assurance of AUFLS compliance but does not impose unnecessary compliance burden on participants.

6.36. We have also amended the Code drafting to make it clear that certification only relates to existing Code obligations to the extent they relate to AUFLS, and to correct minor typographical errors relating to defined terms and bolding.

6.37. We have excluded the following obligations that we consider are unnecessary to include in certification or are more appropriately monitored through existing arrangements:

(a) We have removed clause 7(5) of Technical Code B of Schedule 8.3, which requires South Island connected asset owners to fully co-operate with the grid owner and provide the grid owner with information requested in relation to AUFLS. We consider compliance with this provision is best assessed by the grid owner as it is responsible for South Island AUFLS. As this was the only South Island connected asset owners' AUFLS obligation proposed for inclusion in the certification, the effect of removing this clause is that certification will only be required for North Island connected asset owners and the grid owner.

(b) We have removed clause 7(6AC) of Technical Code B of Schedule 8.3 as that provision refers to the historical transition deadline for North Island AUFLS providers to fully comply with AUFLS technical requirements report.

(c) We have removed clause 7(17) of Technical Code B of Schedule 8.3 as this provision also requires to the extent reasonably practicable co-operation by participants other than AUFLS providers in identifying interruptible load or emergency reserve contracted by the System Operator that could affect the size of an AUFLS block. We consider compliance with this provision is best assessed by AUFLS providers.

6.38. In the process of refining the list of Code clauses we have decided to specify two further clauses which were not expressly included in the consultation paper.

6.39. While compliance with these clauses is already captured by the inclusion of clause 8.28(1) in certification (which requires compliance with the technical codes generally), including these specific technical code provisions, alongside the other specific clauses for AUFLS compliance, will provide the Authority more detailed information about any instances of non-compliance, and will provide more clarity for participants on which AUFLS provisions certification covers:

(a) clause 7(3) of Technical Code B of Schedule 8.3, that requires AUFLS providers to use reasonable endeavours to ensure that at all times AUFLS systems are maintained in accordance with applicable requirements; and

(b) clause 7(4) of Technical Code B of Schedule 8.3, that requires AUFLS providers to notify the System Operator as soon as practicable if the provider believes an AUFLS system may not be capable of meeting AUFLS technical requirements.

### Several submitters indicated that they wanted to see the prescribed form

6.40. Several submitters indicated that they wanted to see the specific form we plan to use for director certification. For some submitters, some of their concerns or support hinged on what form the certification would take. Some of the feedback we received included:

(a) Vector's recommendation that we include wording indicating the certification made based on the director's reasonable belief of the truth and accuracy of the certification;

(b) the System Operator's view that the costs of the proposal will heavily depend on the prescribed form, and what evidence we expect in support of the certification.

6.41. As explained above, our prescribed form is designed for AUFLS providers' directors to provide a high-level assurance that obligations were met in relation to the preceding year. Certification will not require participants to provide evidence in support of the certification.

6.42. Our expectation is this evidence should generally be supplied to the System Operator during the year if an AUFLS provider cannot comply with a relevant obligation, as part of annual reporting, or as part of providing periodic test results. We also expect that, should a certification indicate a non-compliance has occurred, the AUFLS provider will have self-reported that non-compliance to meet its mandatory reporting obligation under regulation 7 of the Regulations prior to certification; or it will as soon as it is able to do so following identification of the non-compliance.

6.43. The proposed form would allow participants to supply supporting information (for example, a copy of the self-reported breach notification for any non-compliances identified) voluntarily. However, no additional information will be required.

6.44. We have published a copy of the proposed prescribed form alongside this decision paper in **Appendix A**.

6.45. We will also prepare guidance, supplementary to the prescribed form, to assist AUFLS providers in preparing for their first certification.

## The amendment will promote the Authority's objectives

6.46. The Code amendment set out above is consistent with the Authority's main statutory objective, and section 32(1)(b), (c) and (e) of the Act.

6.47. Requiring annual director certification of compliance with AUFLS obligations will improve the efficient operation of the electricity industry (section 32(1)(c)). Director certification will provide assurance that AUFLS providers have robust processes to

ensure and monitor compliance, by requiring oversight at the appropriate level of governance.

6.48. This is expected to have a consequential positive impact on AUFLS readiness and thereby promote reliability of supply (section 32(1)(b)). We anticipate that improved governance will enable AUFLS providers to maintain system security and promptly resolve issues to uplift compliance if required.

6.49. The Authority also considers the proposed Code amendment will enhance the ability of the Authority to perform its functions (section 32(1)(e)). Annual director certification will better ensure the Authority has the information it needs to have improved visibility of AUFLS providers' compliance with their obligations. The Authority considers that the proposed amendment will have no effect on competition, efficiency, or protecting the interests of domestic and small business consumers regarding the supply of electricity to those consumers.

### The benefits of the proposal outweigh its costs

6.50. On balance, and after having considered submissions, we remain of the view that the benefits of the proposal outweigh its costs.

6.51. Requiring certification would ensure director-level visibility of, and accountability for, AUFLS compliance. This is the appropriate level of governance for obligations which directly impact on reliability of supply. We consider such oversight would reinforce the importance of compliance with AUFLS obligations, and would ensure directors are aware of any issues with compliance that may arise.

6.52. We consider there will be minimal costs involved in director certification. AUFLS providers are already required to comply with AUFLS obligations and must already arrange and retain records to demonstrate compliance. The only cost we have identified is a minimal operational burden on AUFLS providers to update their processes to ensure the certification is provided on time each year. We expect that staff with technical expertise will support directors in understanding what is being certified. We consider this additional compliance cost is outweighed by the benefit of director level oversight given the importance of AUFLS to preventing cascade failure.

6.53. As this is a minor proposal, we have conducted a qualitative assessment only. We do not consider a full quantitative cost benefit analysis practical, considering the cost will be dependent on participants' internal processes. However, participants should have existing processes to meet the requirements that can be updated easily as they are amended.

### We consider our approach is preferable to alternatives

6.54. In addition to the alternatives discussed at paragraphs 6.30 and 6.31 above (relying on information gathering powers and substantive review of AUFLS obligations), we have also considered the alternative of voluntary certification.

6.55. Earlier attempts by the Authority and System Operator to obtain voluntary certification of AUFLS readiness have not been satisfactory. In 2025, the Authority wrote to all four block North Island AUFLS providers highlighting concerns about AUFLS compliance, given its importance in preventing cascade failure. The Authority encouraged co-operation with the System Operator's request for signed confirmation of AUFLS compliance. Only 60% of four block North Island AUFLS providers responded.

6.56. We are concerned that the current approach is not sufficient to ensure adequate internal oversight within AUFLS providers, and to enhance assurances that AUFLS providers remain AUFLS ready at all times.

## Final Code amendment

6.57. The Code amendment will come into force on 1 February 2027.

6.58. The first certification will be due by **5.00pm on 1 June 2027**.

6.59. The approved Code wording is below:

**8.28A Annual director certification of compliance with specified obligations under this Part**

(1) This clause applies to—

(a) **connected asset owners** with obligations to provide **automatic under-frequency load shedding** ~~**AUFLS**~~ under this Part; and

~~(b) **connected asset owners** in the South Island with obligations to cooperate with the **grid owner** for the South Island; and~~

(b)~~(c)~~ ~~the~~South Island **grid owners**.

(2) Each **participant** referred to in subclause (1) must certify to the **Authority**, on an annual basis, whether the **participant** has complied with the requirements in the following clauses, to the extent they applied to the **participant** and relate to **automatic under-frequency load shedding**, during the preceding calendar year:

(a) clause 8.19(5):

(b) clause 8.28(1):

(c) clause 8.37(1) and (3):

(d) Schedule 8.3, **Technical Code** ~~Technical Code~~ A, clause 8(1) and (2):

(e) Schedule 8.3, **Technical Code** ~~Technical Code~~ B, clause 7(1), (2), (3), (4), ~~(5),~~ (6AB), ~~(6AC),~~ (7), (9), ~~(17),~~ and (18).

(3) Each certification must be—

(a) submitted by 1 June of each year for the preceding calendar year; and

(b) in the **prescribed** form **published** by the ~~Authority~~ **Authority**; and

(c) signed by a director of the ~~participant~~ **participant**.

(4) The **Authority** may share certifications provided to it under subclause (2) with the ~~system operator~~ **system operator**.

# Appendix A Proposed AUFLS certification form

Below is the proposed template for annual director certification of AUFLS compliance. The Authority will finalise and publish the prescribed form, alongside guidance on completing the certification process, in advance of the first certification falling due on 1 June 2027. The guidance will address matters such as how to certify when an equivalence arrangement is in place.

## AUFLS compliance certification template

I [insert full name] of [place, occupation], certify that:

- I am a director of, and authorised by, [*insert name of company*] to certify on its behalf under clause 8.28A of the Electricity Industry Participation Code 2010 (Code);

- [*insert name of company*] is a participant to which clause 8.28A applies; and

- The participant has, for the [*insert year*] calendar year, to the extent the requirements in the following Code clauses applied to the participant and relate to AUFLS:

| **Technical requirements for AUFLS systems** | |
|---|---|
| Clause 8.19(5) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| Clause 8.28(1) | ☐ Complied<br>☐ Did not comply |
| Schedule 8.3, Technical Code B, clause 7(1) or (2) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| Schedule 8.3, Technical Code B, clause 7(3) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| Schedule 8.3, Technical Code B, clause 7(6AB) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| Schedule 8.3, Technical Code B, clause 7(7) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |

| Equivalence arrangements | |
|---|---|
| Clause 8.37(1) and (3) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| **Record keeping** | |
| Schedule 8.3, Technical Code A, clause 8(1) | ☐ Complied<br>☐ Did not comply |
| **Testing** | |
| Schedule 8.3, Technical Code A, clause 8(2) | ☐ Complied<br>☐ Did not comply |
| **Notification to System Operator** | |
| Schedule 8.3, Technical Code B, clause 7(4) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |
| **Provision of block demand profile information** | |
| Schedule 8.3, Technical Code B, clause 7(9) | ☐ Complied<br>☐ Did not comply |
| **Obligations on operation of AUFLS system** | |
| Schedule 8.3, Technical Code B, clause 7(18) | ☐ Complied<br>☐ Did not comply<br>☐ Not applicable |

Signed: _____ Date: _____

Please indicate whether additional information is provided with this certification: Y/N