1. Expression of interest terms

Electricity Innovation Sandbox

Information submitted

1. Submitters must ensure all information provided to the Electricity Authority Te Mana Hiko (Authority) is complete, accurate and not misleading.
2. The Authority may request additional information from submitters.
3. The Authority will use the information submitted to assess expressions of interest based on the criteria set out in the Expression of Interest document.
4. The Authority does not intend to publish information about submitters and the proposals it receives. The Authority is, however, subject to Official Information Act 1982. Submitters should identify any information they provide that should be treated as confidential and the reasons for confidentiality.

Nature of this EOI process

5. The expression of interest process will not bind the Authority in its capacity as a regulatory authority in any way. The Authority will make decisions in accordance with its statutory objectives and functions.
6. The Authority may at any time to:
    a. modify, suspend, extend or withdraw its expression of interest process
    b. decide not to proceed with the Electricity Innovation Sandbox or any proposed trial.
7. The Authority will select parties to enter the Electricity Innovation Sandbox based on the criteria set out in the expression of interest document. Entry into the Electricity Innovation Sandbox will remain conditional on the entry into agreements as required by the Authority between the Authority and any other parties who will be involved in proposed trials.
8. Even if submitters formally enter the Electricity Innovation Sandbox, the commencement of proposed trials will be dependent on the granting of any relevant exemption to comply with certain obligations of the Electricity Industry Participation Code 2010.
9. The general terms and conditions on which the Electricity Innovation Sandbox will operate are described in section 2 below.

Costs and expenses

10. Submitters are responsible for all costs associated with thie expression of interest process, including:
    a. preparing and submitting an expression of interest
    b. providing any further information requested by the Authority
    c. further development of a trial proposal, including engagement with third parties.

2. General terms

Electricity Innovation Sandbox

Purpose

1. The following provides a high-level description of the terms and conditions on which the Electricity Innovation Sandbox will operate.
2. The actual terms and conditions will be set under:
    a. individual agreements the Electricity Authority (Authority) will enter with the participants selected to enter the Sandbox and
    b. the exemptions granted by the Authority from complying with certain obligations under the Electricity Industry Participation Code 2010.
3. The actual terms and conditions applying to specific parties may differ to those described below.

Definitions

4. In this overview:

    Authority means the Electricity Authority Te Mana Hiko

    Code means the Electricity Industry Participation Code 2010

    Consumer means any person who is supplied with electricity

    Exemption means an exemption granted under section 11 of the Electricity Industry Act 2010 from complying with certain obligations under the Code

    MTRs means Multiple Trading Relationships, which is an electricity system structure option which allows consumers to access electricity and related services from more than one provider at a single location

    Participant Agreement means an agreement between the Authority and a Sandbox Participant in relation to the Electricity Innovation Sandbox

    Sandbox means the Authority's Electricity Innovation Sandbox

    Sandbox Participant means an organisation participating in, or intending to participate in, a Trial through the Electricity Innovation Sandbox, having been selected by the Authority and having entered a Participant Agreement

    Trial means a proposed or actual trial to test the costs and benefits of MTRs operated through the Electricity Innovation Sandbox

Sandbox governance

5. The Authority is responsible for the governance, oversight, administration, monitoring, and evaluation of the Sandbox.
6. The Authority may:
    a. establish governance arrangements and operating procedures
    b. appoint advisory groups, technical experts, or independent reviewers

c. require Sandbox Participants to attend governance and trial briefing meetings

d. modify governance arrangements where necessary.

Provision of support

7. The support the Authority will provide a Sandbox Participant may include:

    a. assistance in understanding certain clauses or Parts of the Code relevant to a Trial

    b. supporting the scoping and design of a Trial

    c. assistance in completing and submitting applications for Exemptions in relation to a Trial.

Authority powers and discretion

8. The Authority may:

    a. require modifications to a Sandbox Participant's Trial design

    b. approve or decline applications for Exemptions in relation to any Trial, including imposing any condition on an Exemption

    c. suspend, terminate or vary the conditions of a Trial.

9. The Authority will, where applicable, exercise its powers and discretion in accordance with any relevant governing legislation. The Authority does not guarantee Sandbox Participants the approval of any Exemption or any other permission to undertake a Trial.

10. The terms and conditions of a Participant Agreement will not bind the Authority in its capacity as a regulatory authority in any way. When acting in its regulatory capacity, the Authority must consider and discharge its statutory functions without regard to a Participant Agreement or the Sandbox, for example, when assessing any applications and investigating alleged Code breaches.

Sandbox participant obligations

11. Sandbox Participants must:

    a. act honestly and in good faith

    b. comply with all terms and conditions of a Participant Agreement and the conditions of an Exemption

    c. comply with all other applicable laws and regulations

    d. maintain appropriate governance and risk management arrangements

    e. cooperate with Authority staff

    f. promptly provide information requested by the Authority and

    g. notify the Authority of any material changes affecting a Trial.

Consumer protection and supply reliability requirements

12. Sandbox Participants must ensure:

    a. Consumers are not harmed by a Trial and

    b. a Trial does not affect the reliable supply of electricity to Consumers.

13. Any actual or potential Consumer harm or supply reliability issues must be reported to the Authority as soon as practicable.
14. The Authority may require immediate corrective action where Consumer harm or supply reliability issues are identified.
15. Where Consumers are directly involved in a Trial, Sandbox Participants must:
    a. clearly explain the nature of the Trial
    b. clearly describe risks and benefits to each Consumer
    c. obtain consent from each Consumer
    d. maintain effective complaint-handling processes
    e. ensure Consumers can withdraw from the Trial where appropriate, and notify the Authority when a consumer has withdrawn
    f. comply with all other legal obligations relating to Consumer protection.

Reporting requirements

16. Sandbox Participants must provide information in accordance with a Participant Agreement and the conditions of an Exemption.
17. The information Sandbox Participants may be required to provide may include:
    a. Trial performance metrics
    b. customer participation data
    c. operational data
    d. incident reports
    e. Consumer complaints
    f. costs and benefits and
    g. lessons learned.

Use of information

18. The Authority may use information obtained from Sandbox Participants for policy development and Code reform processes. The Authority may include the information in:
    a. regulatory analysis
    b. consultation and decision documents
    c. other publications and communications material.
19. The Authority may publish raw, aggregated or anonymised findings from any Sandbox activities.
20. Sandbox Participants may request that the Authority treat any information as confidential. In response to such requests, the Authority will explain if it considers it is or may be unable to treat the information as confidential. For example, the information may be critical to the Authority's policy development. The Authority may also be required to disclose information by law, such as responding to requests under the Official Information Act 1982.

Monitoring and audits

21. The Authority may monitor and audit Sandbox Participants at any time to ensure compliance with the conditions of a Participant Agreement and an Exemption.
22. Upon request, Sandbox Participants must provide reasonable access to:
    a. records
    b. systems;
    c. relevant personnel; and
    d. operational information.

Incident notification

23. Participants must notify the Authority promptly of:
    a. significant operational incidents
    b. data breaches
    c. Consumer harm
    d. cybersecurity incidents
    e. material compliance breaches and
    f. health and safety incidents related to a Trial.
24. The Authority may require remediation plans and corrective actions.

Intellectual property rights

25. Each Sandbox Participant retains ownership of any intellectual property it owned prior to entering the Sandbox.
26. The Authority has no claim to the ownership of any intellectual property arising from the Sandbox or any Trial.

Public statements

27. Sandbox Participants must consult with the Authority before making public statements regarding the Sandbox.
28. Sandbox Participants must not imply that:
    a. the Authority endorses their business
    b. the Authority endorses any product or service and
    c. Sandbox participation guarantees future regulatory approval or regulatory reforms.

Liability

29. Each Sandbox Participant will bear all costs associated with participation in the Sandbox and any Trials.
30. Participation in the Sandbox and any Trial is at a Sandbox Participant's own risk.
31. The Authority has no liability to Sandbox Participants in connection with a Participant Agreement and the Sandbox.

32. Participants indemnify the Authority against claims arising from Trials.

Dispute resolution

33. In the event of any dispute, the Sandbox Participant and Authority will meet and endeavour to resolve the dispute through good faith discussions.
34. If after 40 days have elapsed a dispute cannot be resolved, the parties may take other measures to resolve the dispute, including commencing proceedings.
35. Nothing limits the exercise of Authority's statutory functions, such as responding to alleged Code breaches.

Authority's powers when objectives of the Sandbox at risk

36. It is important that the Sandbox and Trials continue to meet their objectives by providing the Authority with information about the costs and benefits of MTRs. The Sandbox or any Trials may cease to meet these objectives, where, for example, a Sandbox Participant:
    a. changes the scope, timeline or outputs of a Trial
    b. breaches the Code, any regulations or statute
    c. does something or fails to do something that:
        i. poses a risk to the performance of the Authority's statutory objectives or functions
        ii. damages the Authority's reputation
        iii. poses a risk of harm, or causes harm, to Consumers
    d. shows no significant progress, activity or performance in relation to a Trial
    e. breaches a Participant Agreement or a condition of an Exemption.
37. In any of these circumstances, the Authority may take action in accordance with any relevant legislation, including but not limited to:
    a. requiring any breach to be remedied within a reasonable timeframe
    b. withdrawing support to the Sandbox Participant
    c. terminating a Participant Agreement
    d. varying the conditions of an Exemption
    e. revoking an Exemption and terminating a Trial.
38. A Sandbox Participant may withdraw from the Sandbox by written notice, subject to any conditions imposed by the Authority to ensure an orderly exit.

End of trial requirements

39. At the conclusion of a MTRs Trial, including where the Authority has terminated a Trial, Sandbox Participants must:
    a. submit any final reports requested by the Authority;
    b. provide evaluation information;
    c. cooperate with post-trial reviews; and

d. implement measures to restore pre-Trial settings.

No commitment to regulatory change

40. The Sandbox is intended to support testing and learning.
41. Participation does not guarantee:
    a. future regulatory reform
    b. permanent approval of any MTRs initiative tested in a Trial
    c. the ongoing operation of an Exemption
    d. future market access rights.
42. All future regulatory decisions will be made through the Authority's normal statutory processes.