

Notice of the Electricity Industry Participation Code Amendment (Enabling Energy Storage Systems to Offer Instantaneous Reserve) 2022

1. Under section 38 of the Electricity Industry Act 2010 (“Act”), and the Legislation Act 2019 and having complied with section 39 of the EI Act, the Electricity Authority (“Authority”) gives notice of making the Electricity Industry Participation Code Amendment (Enabling Energy Storage Systems to Offer Instantaneous Reserve) 2022 (“amendment”).

2. The amendment was made on **22 March 2022**.

3. The amendment comes into force on **3 May 2022**.

4. The amendment amends Part 1 and Part 13 of the Code to enable new types of instantaneous reserve, such as battery energy storage systems, to be offered as an ancillary service in the wholesale market. The amendments to Part 1 of the Code include the introduction of a new defined term, “energy storage system”, which refers to equipment that is able to take electricity from a network, store the energy in another form and provide injection. The definition of “instantaneous reserve” is also amended to generalise its meaning and restructure the definition into two categories, “interruptible load” and “generation reserve”. A new defined term, “generation reserve” is introduced to refer to all forms of injectable reserve, including energy storage systems. Other consequential amendments to definitions are also made. Part 13 and clause 8 of Schedule 13.3 are amended to reflect the changes to definitions in Part 1 of the Code. These amendments are intended to allow battery energy storage systems and future storage technologies to offer instantaneous reserve, both when charging from and injecting energy into, the electricity grid.

In addition to this amendment, the procurement plan has been amended to update the corresponding technical performance requirements for instantaneous reserve.

5. The amendment is secondary legislation for the purpose of the Legislation Act 2019 and is administered by the Authority.

6. A copy of the amendment is available on the Authority’s website at <http://www.ea.govt.nz/code-and-compliance/the-code/>.

7. A copy of the amendment and the Code may also be inspected free of charge or purchased from the Electricity Authority, Level 7, Harbour Tower, 2 Hunter Street, Wellington.

Dated at Wellington this 22nd day of March 2022.

DR NICOLA LANE CRAUFORD, Chair, Electricity Authority.