

Electricity Industry (Exemption No. 324 Orion New Zealand Limited) Exemption Notice 2022

In accordance with section 11 of the Electricity Industry Act 2010 (“Act”), the Electricity Authority (“Authority”) gives the following notice.

Notice

1. Title and commencement

(1) This notice is the Electricity Industry (Exemption No. 324 Orion New Zealand Limited) Exemption Notice 2022.

(2) This notice comes into force on the day after the date it is notified in the *New Zealand Gazette*.

2. Exemption

(1) Orion New Zealand Limited (“Orion”) is exempted from complying with the obligation in clause 25(1)(a) of Schedule 11.1 of the Electricity Industry Participation Code 2010 to provide the reconciliation manager with written notice in relation to the creation of a network supply point (“NSP”), and for all other obligations on distributors in respect of distributors’ NSPs within the Code.

(2) This exemption applies only to the interconnection point between Orion’s local network (BRY0661) and MainPower New Zealand Limited’s (“MainPower’s”) local network (KAI0111).

3. Term

This exemption expires on the earlier of:

- a. the close of **31 December 2024**; or
- b. the close of **1 July 2023** if Orion fails to submit to the Authority by this date a plan with timebound milestones on how it proposes to permanently resolve the non-compliance; or
- c. the date when the number of ICPs on Orion’s local network (BRY0661) that can be backfed by MainPower’s local network (KAI0111) exceeds 500; or
- d. the date when the number of ICPs on MainPower’s local network (KAI0111) that can be backfed by Orion’s local network (BRY0661) exceeds 500; or
- e. the date on which there are more than six outages per year on the existing interconnection point between Orion’s local network (BRY0661) and MainPower’s local network (KAI0111), calculated on a rolling 12-month basis.

4. Reasons for Granting the Exemption

The reasons for granting this exemption are:

- a. without an exemption, in the short-term Orion:
 - i. will incur unreasonable expenditure and complexity in fitting metering and communication equipment to its network for the relatively low consumption volumes on the interconnection point
 - ii. will incur unreasonable expenditure in becoming a certified reconciliation participant
 - iii. will incur unreasonable expenditure in submitting submission information for each reconciliation period
 - iv. may re-assess the viability of having the interconnection point as a back-up; and
- b. the interconnection point is rarely used; and
- c. although the exemption has a minor financial impact on the retailers on BRY0661 and KAI0111, the exemption also promotes the continuous supply to the customers on BRY0661 and KAI0111; and
- d. the exemption will have little or no impact on other participants (other than the affected retailers) or service providers and would not affect any other Code provisions; and
- e. the exemption will provide Orion with sufficient time to propose and implement a permanent solution; and
- f. granting the requested exemption meets the requirements in section 11(2) of the Act.

Dated at Wellington this 12th day of December 2022.

For and on behalf of the Electricity Authority:
ALLAN DAWSON, Member, Electricity Authority.