

Notice of the Electricity Industry Participation Code Amendment (Transmission Pricing) 2015

1. Under section 38(3)(b) of the Electricity Industry Act 2010, and having complied with section 39 of that Act, the Electricity Authority gives notice of making the Electricity Industry Participation Code Amendment (Transmission Pricing) 2015 (“amendment”).
2. The amendment comes into force on **1 April 2017**.
3. The amendment is the result of a review of the transmission pricing methodology in Schedule 12.4 of the Electricity Industry Participation Code (“Code”). The review was initiated by Transpower under clause 12.85 of the Code.
4. The amendment changes the definition of regional peak demand periods so that the calculation of the periods for the Upper North Island and the Upper South Island regions is based on the 100 highest regional demands in the relevant capacity measurement period. This means that the calculation of regional peak demand periods for all four regions will be based on the 100 highest regional demands. The description of each region has also been clarified.
5. The amendment changes the definition of capacity measurement period for the purpose of determining regional peak demand periods, so that summer trading periods are excluded for the Lower South Island, Lower North Island, and Upper North Island regions.
6. HVDC charges (charges for the HVDC link) will continue to be paid by South Island generators. The amendment provides for a transition from the current HAMI-based charge to a charge based on the total injection by each South Island generator at each South Island generation connection location, averaged over five years.
7. Finally, the amendment requires Transpower to make adjustments to minimise the effect on transmission charges of reverse flow that occurs as a result of a GXP tie.
8. A copy of the amendment and the Electricity Industry Participation Code 2010 (“Code”) is available on the Electricity Authority’s website:
www.ea.govt.nz/code-and-compliance/the-code/
9. A copy of the amendment and the Code may also be inspected free of charge or purchased from the Electricity Authority, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington.

Dated at Wellington this 24th day of August 2015.

Dr THOMAS BRENT LAYTON, Chairperson, Electricity Authority.