


Electricity Industry Participation (High Spring Washer Price Situation) Code Amendment 2012

Pursuant to section 38 of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation Code 2010.

At Wellington on the 20th day of August 2012



Dr Thomas Brent Layton
Chairperson
Electricity Authority

Certified in order for signature:



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17 August 2012



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Amendment

- Title**
This is the Electricity Industry Participation (High Spring Washer Price Situation) Code Amendment 2012.
- Commencement**
This amendment comes into force on 21 September 2012.
- Code amended**
This amendment amends the Electricity Industry Participation Code 2010.

4 Clause 1.1 amended (Interpretation)

- (1) In clause 1.1(1), definition of **high spring washer price relaxation factor**, replace "the greater of 1MW or 1% of the relevant **transmission security constraint** that has **bound** in the **trading period**" with "1MW".
- (2) In clause 1.1(1), definition of **high spring washer price situation**, after "**final prices**" insert "(or used by the **system operator** to determine, under clause 13.134(4), whether a **high spring washer price situation** still exists)".
- (3) In clause 1.1(1), definition of **high spring washer price situation methodology**, replace "clause 13.134(2)" with "clauses 13.134(2) and 13.134(4)".

5 Clause 13.134 amended (Methodology to resolve high spring washer price situation)

- (1) In clause 13.134(1), replace "Subject to subclause (3), this" with "This".
- (2) In clause 13.134, replace subclauses (2), (2A), (2B), and (3) with:
 - "(2) If this clause applies, the **system operator** must—
 - "(a) identify each **transmission security constraint** that has **bound** in the relevant **trading period**; and
 - "(b) identify the **constraint price** associated with each **transmission security constraint** identified in accordance with paragraph (a); and
 - "(c) apply the **high spring washer price relaxation factor**—
 - "(i) to the maximum flow limit of the **transmission security constraint** with the highest associated **constraint price**; or
 - "(ii) if 2 or more **transmission security constraints** have the equal highest associated **constraint price**, to the maximum flow limit of each of those **transmission security constraints**.
 - "(4) After the **system operator** has applied the **high spring washer price relaxation factor** under subclause (2)(c), the **system operator** must determine whether a **high spring washer price situation** still exists in the **trading period**.
 - "(5) If the **system operator** determines under subclause (4) that a **high spring washer price situation** still exists in the **trading period**, the **system operator** must reapply the **high spring washer price situation methodology** for that **trading period** unless subclause (6) applies.
 - "(6) The **system operator** must not reapply the **high spring washer price situation methodology** under subclause (5) if doing so would require the **system operator** to apply the **high spring washer price relaxation factor** to a maximum flow limit to which the **high spring washer price relaxation factor** has already been applied for the **trading period**".

Explanatory Note

This note is not part of the amendment, but is intended to indicate its general effect.

This amendment to the Electricity Industry Participant Code 2010 comes into force on 21 September 2012. It amends the high spring washer price relaxation factor, which is applied when high spring washer price situations arise, to be 1MW. It also amends clause 13.134 by replacing the process of relaxing

constraints on parallel lines with an iterative process, and makes consequential amendments.

The amendment replaces the urgent changes made by the Electricity Industry Participation (High Spring Washer Price Situation) Code Amendment 2011.

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