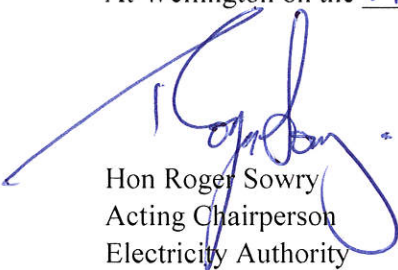


**Electricity Industry Participation (Demand-side Bidding and Forecasting)  
Code Amendment 2011, Amendment 2012**


Pursuant to section 38 of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011.

At Wellington on the 21<sup>st</sup> day of May 2012




Hon Roger Sowry  
Acting Chairperson  
Electricity Authority

Certified in order for signature:



Andrew Springett  
Senior Legal Counsel  
Electricity Authority



Tony Dellow  
Partner  
Buddle Findlay

21 May 2012

21 May 2012

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## **Amendment**

### **1 Title**

This is the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011, Amendment 2012.

### **2 Commencement**

This Amendment comes into force on 27 June 2012.

### **3 Code Amendment amended**

This Amendment amends the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011.

### **4 Clause 2 amended (Commencement)**

(1) Replace clause 2(1) with:

"(1) This Amendment comes into force at 1:30 p.m. on 28 June 2012, except as provided in this clause."

(2) After clause 2(2), insert:

"(3) Clause 2A comes into force on 28 June 2012."

### **5 New clause 2A inserted**

After clause 2, insert:

#### **"2A Transitional provision for system operator**

"(1) This clause applies to the amendments to the Code that come into force under clause 2(1).

"(2) The **system operator** does not breach the Code if—

"(a) in the hour before the amendments come into force, the **system operator** complies with the Code as amended by the amendments, and accordingly does not comply with the Code as in force at the time immediately before the amendments come into force:

"(b) in the hour after the amendments come into force, the **system operator** does not comply with the Code as amended by the amendments, but instead complies with the Code as in force at the time immediately before the amendments came into force.

"(3) This clause expires at 2:30 p.m. on 28 June 2012."

### **6 Clause 13 amended (New clause 13.14A inserted)**

In clause 13, amend—

(a) new clause 13.14A(a) by replacing "each band must decrease progressively from band to band as the aggregate quantity increases" with "bands 2 to 5 must, in each case, be lower than the price in the preceding band"; and

(b) new clause 13.14(A)(b) by replacing "each band must increase progressively from band to band as the aggregate quantity increases" with "bands 2 to 5 must, in each case, be higher than the price in the preceding band".

7 **Clause 21 amended (New heading and clauses 13.27A to 13.27K inserted)**

In clause 21, replace new clause 13.27C(4) with:

"(4) As soon as practicable after making a determination, the **Authority** must—

"(a) advise the wholesale information trading system provider, all **purchasers**, and the **system operator**—

"(i) of its determination; and

"(ii) whether, in making the determination, the **Authority** has followed—

"(A) the methodology set out in Schedule 13.7; or

"(B) the criteria **publicised** under clause 13.27E; and

"(b) advise all **purchasers** and the **system operator** of the right to request, under clause 13.27H, a reconsideration of the determination; and

"(c) if the determination was requested under clause 13.27H, provide reasons for its decision to the requester."

8 **New clause 66A inserted**

After clause 66, insert:

**"66A Schedule 13.3, clause 17 amended (What modelling system must take into account when calculating prices)**

"In clause 17 of Schedule 13.3—

"(a) replace paragraph (d) with:

"(d) for **nominated bids**, subject to the obligations of the **system operator** described in clause 13, a **purchaser** at a **grid exit point**—

"(i) must be scheduled to purchase a quantity of **electricity** from a price band if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at the **grid exit point** is less than the price bid for the price band; and

"(ii) must not be scheduled to purchase a quantity of **electricity** from a price band if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at the **grid exit point** is greater than the price bid for the price band; and"; and

"(b) replace paragraph (e) with:

"(e) for positive **difference bids**, subject to the obligations of the **system operator** described in clause 13, a **purchaser** at a **grid exit point**—

"(i) must be scheduled to increase a quantity of **electricity** if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at the **grid exit point** is less than the price bid for the price band; and

- "(ii) must not be scheduled to increase a quantity of **electricity** if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at the **grid exit point** is greater than the price bid for the price band; and"; and
- "(c) after paragraph (e) insert:
  - "(ea) for negative **difference bids**, subject to the obligations of the **system operator** described in clause 13, a **purchaser** at a **grid exit point**—
    - "(i) must be scheduled to decrease a quantity of **electricity** if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at that **grid exit point** is greater than the price bid for the price band; and
    - "(ii) must not be scheduled to decrease a quantity of **electricity** if the price determined by the modelling system at the **reference point** multiplied by the relevant marginal location factor at that **grid exit point** is less than the price bid for the price band; and".

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#### **Explanatory Note**

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

This amendment to the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011 comes into force on 27 June 2012.

This amendment amends the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011 by changing the time on which part of that amendment comes into force, providing for a transitional provision, and making three minor technical changes.

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Date of notification in the *Gazette*: 24 May 2012.