

**Notice of the Electricity Industry Participation
(Temporary Grid Reconfiguration) Code
Amendment 2012**

1. Pursuant to section 38(3)(b) of the Electricity Industry Act 2010 (“Act”), the Electricity Authority (“Authority”) gives notice of the making of the Electricity Industry Participation (Temporary Grid Reconfiguration) Code Amendment 2012.
2. The amendment is made urgently under section 40(1) of the Act. The amendment comes into force on **2 March 2012**.
3. This amendment enables Transpower to temporarily remove interconnection assets from service or temporarily reconfigure the grid, in specified circumstances, where this results in a net benefit, to improve the operation of the electricity system.
4. The Authority considers that it is desirable to make the amendment urgently because:
 - (a) due to the ongoing dry conditions in the lower South Island, increasing amounts of electricity are flowing from the North Island across the HVDC link into the South Island to conserve hydro lake levels. However, various factors are combining to restrict southward power flow at various times, and these restrictions are likely to occur more frequently if hydro conditions in the South Island deteriorate materially over the coming months;
 - (b) the system operator has indicated that it is investigating temporary configurations that would allow increased southward power flow. A temporary grid reconfiguration could provide a significant benefit by enabling more southward flow, conserving hydro lake storage, and increasing security of supply; and
 - (c) a delay in making a Code amendment will increase the likelihood that the benefits of a removal or reconfiguration of interconnection assets will not be realised.
5. A copy of the amendment and the Code is available on the Electricity Authority’s website
www.ea.govt.nz/act-code-regs/code-regs/
6. 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 27th day of February 2012.

DR THOMAS BRENT LAYTON, Chairperson, Electricity Authority.

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