

Notice of the Electricity Industry Participation Code Amendment (Extended Reserve) 2014

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 Code Amendment (Extended Reserve) 2014.
2. The amendment comes into force on **7 August 2014**, except clauses 10–15 and 24–33, which come into force on **24 March 2015**.
3. The amendment significantly changes the manner in which the ability to drop large blocks of electrical load in response to extreme under-frequency events on the grid is managed (currently known as automatic under-frequency load shedding (AUFLS)). Specifically, the amendment:
 - (a) takes account of the possibility of new technology being developed for addressing under-frequency events, including by introducing the wider term “extended reserve” to replace “AUFLS”;
 - (b) enables a new technical approach to extended reserve to be implemented, which will involve (among other features) providers being selected based on the suitability of their load;
 - (c) implements a new method for procuring extended reserve, including introducing a new market operation service provider (the extended reserve manager) to oversee the process; and
 - (d) enables extended reserve providers to be compensated from charges to distributors (including direct consumers).
4. A copy of the amendment and the Code is available on the Authority’s website
www.ea.govt.nz/code-and-compliance
5. 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 4th day of July 2014.

DR THOMAS BRENT LAYTON, Chairperson, Electricity Authority.

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