

# Electricity Industry Participation (Minor Code Amendments) Code Amendment 2014

Pursuant to sections 38 and 39(3) of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation Code 2010.

At Wellington on the 14<sup>th</sup> day of April 2014



Dr Thomas Brent Layton  
Chairperson  
Electricity Authority

Certified in order for signature:



Andrew Springett  
Senior Legal Counsel  
Electricity Authority



Tony Dellow  
Partner  
Buddle Findlay

14 April 2014

14 April 2014

## Contents

1	Title	3
2	Commencement	3
3	Code amended	3
4	Clause 1.1 amended (Interpretation)	3
5	Clause 5.1A amended (Time limit for investigating undesirable trading situation)	4
6	Clause 7.11 amended (Review of performance of the system operator)	4
7	Clause 8.31 amended (Grant of dispensations)	4
8	Clause 8.32 amended (Liability of asset owner pending decision)	4
9	Clause 8.37 amended (Other provisions relating to equivalence arrangements and dispensations)	4
10	Clause 8.67 amended (Voltage support costs allocated in 3 parts – nominated peak, monthly peak and residual charges)	4

11	Schedule 8.3, Technical Code A, clause 4 amended	4
12	Schedule 8.3, Technical Code B, clause 4 amended	5
13	Clause 10.46 amended (Statement of situation)	5
14	Schedule 10.1, Table 3 amended	5
15	Schedule 10.1, Table 5 amended	5
16	Schedule 10.2, clause 5 amended	5
17	Schedule 10.2, clause 9 amended	5
18	Schedule 10.7, clause 11 amended	5
19	Schedule 10.7, clause 31 amended	5
20	Schedule 10.8, clause 4 amended	5
21	Clause 11.15C amended (Process for retailer events of default)	5
22	Clause 11.18 amended (Trader responsibility for ICP)	5
23	Schedule 11.1, clause 7 amended	6
24	Schedule 11.1, clause 9 amended	6
25	Schedule 11.1, clause 14 amended	6
26	Schedule 11.1, clause 15 replaced	6
27	Schedule 11.2, clause 7 amended	6
28	Schedule 11.2, new clause 7A inserted	6
29	Schedule 11.3, clause 4 amended	7
30	Schedule 11.3, clause 20 amended	7
31	Schedule 11.4, Table 1 amended	7
32	Clause 12.35 amended (Increased services and reliability)	7
33	Clause 12.36 amended (Decreased services and reliability)	7
34	Schedule 12.4, clause 3 amended	7
35	Clause 12A.4 amended (Prudential requirements)	7
36	Clause 12A.13 amended (Authority may publicise EIEPs that must be used)	7
37	Clause 13.1 amended (Contents of this Part)	8
38	Clause 13.38 amended (Ancillary service agents to submit reserve offers to system operator)	8
39	Clause 13.39 amended (Inter-relationship between reserve and energy offers)	8
40	Clause 13.44 amended (How quantity is to be specified in reserve offers)	8
41	Clause 13.47 amended (Quantity changes may be made within 2 hours before trading period)	8
42	Clause 13.53 amended (Additional information to be provided by participants)	8
43	Clause 13.60 amended (Block dispatch may occur)	8
44	Clause 13.61 amended (System operator to notify block security constraints)	8
45	Clause 13.76 amended (Dispatch instructions to be logged)	8
46	Clause 13.80 amended (Dispatch instructions provided to grid owner)	9
47	Clause 13.81 amended (Backup procedures if communication not possible)	9
48	Clause 13.90 amended (Process for publishing real time prices)	9
49	Clause 13.194 amended (Clearing manage to calculate constrained off	9

	amounts)	
50	Schedule 13.1, Form 5 amended	9
51	Schedule 13.1, Form 6 amended	9
52	Schedule 13.1, Form 7 amended	9
53	Schedule 13.1, Form 9 amended	9
54	Schedule 13.3 amended	9
55	Clause 14.10 amended (Interest will be earned on cash deposits)	9
56	Schedule 14.6, clause 4 amended	10
57	Schedule 14.6, clause 5 amended	10
58	Clause 15.10 amended (Local network and embedded network submission information)	10
59	Clause 15.29 amended (Volume information disputes)	10
60	Clause 15.33 amended (The Authority publishes reports)	10
61	New cross heading inserted	10
62	Clause 15.38 amended (Functions requiring certification)	10
63	New cross heading inserted	10
64	Schedule 15.1, clause 8A amended	10
65	Schedule 15.2, clause 17 amended	10
66	Schedule 15.3, clause 2 amended	10
67	Schedule 15.4, clause 16 amended	10
68	Schedule 15.4, clause 22 amended	11
69	Schedule 15.5, clause 17 amended	11
70	Schedule 15.5, clause 18 amended	11

---

## Amendment

### 1 Title

This is the Electricity Industry Participation (Minor Code Amendments) Code Amendment 2014.

### 2 Commencement

This amendment comes into force on 15 May 2014.

### 3 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 "**constraint price**",—
  - (a) after "**MW**", insert "per hour"; and
  - (b) replace "decreased" with "increased".
- (2) In clause 1.1(1), revoke the definition of "**data logger**".
- (3) In clause 1.1(1), definition of "**offer**", replace "13.17 and" with "13.17 to".
- (4) In clause 1.1(1), definition of "**participant identifier**", after "identify the **participant**" insert ", including".

- (5) In clause 1.1(1), definition of "**risk management contract**", replace paragraph (c) with:  
 "(c) an **options contract**; but  
 "(d) does not include an **FTR**".
- (6) In clause 1.1(1), definition of "**special protection scheme**",—  
 (a) replace "take" with "takes"; and  
 (b) replace "demand" with "**demand**".
- (7) In clause 1.1(1),—  
 (a) revoke the definition of "**transmission alternative**"; and  
 (b) insert in its appropriate alphabetical order:  
 "**transmission alternative** means an alternative to investment in the **grid**, including investment in local generation, energy efficiency, demand-side management and **distribution network** augmentation set out in Part 12".

**5 Clause 5.1A amended (Time limit for investigating undesirable trading situation)**

Amend clause 5.1A as follows:

- (a) after "investigation if", insert "more than";
- (b) after "**business days**", delete "or more".

**6 Clause 7.11 amended (Review of performance of the system operator)**

In clause 7.11(4), delete "the meeting of" and "at which it".

**7 Clause 8.31 amended (Grant of dispensations)**

Amend clause 8.31 as follows:

- (a) in subclause (1), replace "**assets**, if" with "**assets**, but";
- (b) in subclause (1)(a), replace "the approval" with "if the approval";
- (c) in subclause (1)(b), replace "acknowledges" with "must acknowledge";
- (d) in subclause (1)(c):
  - (i) replace "for the purpose of" with "if the **dispensation** is"; and
  - (ii) replace "a **generator** is" with "the **generator** must be".

**8 Clause 8.32 amended (Liability of asset owner pending decision)**

In clause 8.32, replace "**equivalence arrangement or dispensation**" with "non-compliance".

**9 Clause 8.37 amended (Other provisions relating to equivalence arrangements and dispensations)**

After clause 8.37(1), insert:

"(1A) An **asset owner** who is granted a **dispensation** must comply with its obligations under that **dispensation**".

**10 Clause 8.67 amended (Voltage support costs allocated in 3 parts – nominated peak, monthly peak and residual charges)**

In clause 8.67(5), after " $\text{Residual}_{\text{ALLZ}} = V \text{ cost}_z - \text{Nom Charge}_{\text{ALLZ}}$ ", insert "—".

**11 Schedule 8.3, Technical Code A, clause 4 amended**

In the heading to Schedule 8.3, Technical Code A, clause 4, delete "the" and "a".

- 12 Schedule 8.3, Technical Code B, clause 4 amended**  
In Schedule 8.3, Technical Code B, clause 4, replace "operator" with "**operator**".
- 13 Clause 10.46 amended (Statement of situation)**  
Replace clause 10.46(2) with:  
"(2) A **metering equipment provider** must, within 3 **business days** of receiving the statement of situation, provide copies of it—  
"(a) to the relevant affected **participants** for all **metering installations**; and  
"(b) to the **market administrator**—  
"(i) for all category 3 and above **metering installations**; and  
"(ii) if requested by the **market administrator**, for each **category 1 metering installation** and each **category 2 metering installation**".
- 14 Schedule 10.1, Table 3 amended**  
Amend Schedule 10.1, Table 3 as follows:  
(a) in column 1, row 6, replace "loggers" with "storage devices";  
(b) in column 1, row 8, replace "loggers" with "storage devices".
- 15 Schedule 10.1, Table 5 amended**  
In Schedule 10.1, Table 5, column 1, row 1, replace "logger" with "storage device".
- 16 Schedule 10.2, clause 5 amended**  
In Schedule 10.2, clause 5(b), replace "relevant" with "**relevant**".
- 17 Schedule 10.2, clause 9 amended**  
Amend Schedule 10.2, clause 9 as follows:  
(a) replace "a" with "the";  
(b) replace ", including any responses from the **relevant participant**" with "required under clause 2(f)(iii)".
- 18 Schedule 10.7, clause 11 amended**  
In Schedule 10.7, clause 11(3)(b), replace "a test laboratory" with "an **approved test laboratory** or an **approved calibration laboratory**".
- 19 Schedule 10.7, clause 31 amended**  
In Schedule 10.7, clause 31(7)(b), after "confirm that", insert "a **class A ATH** or".
- 20 Schedule 10.8, clause 4 amended**  
In Schedule 10.8, clause 4(1)(b), replace "subparagraph (i)" with "paragraph (a)".
- 21 Clause 11.15C amended (Process for retailer events of default)**  
In clause 11.15C(2), replace "participant" with "**participant**".
- 22 Clause 11.18 amended (Trader responsibility for ICP)**  
Amend clause 11.18(5) as follows:

- (a) replace "**trade**" with "trade":
- (b) after "for the **ICP**", insert ", unless the **trader** trades only **unmetered load** at that **ICP**".

**23 Schedule 11.1, clause 7 amended**

Amend Schedule 11.1, clause 7 as follows:

- (a) in subclause (1), replace "network" with "**network**":
- (b) in subclause (1)(b), replace "subclauses (4) and (5)" with "subclause (4)":
- (c) replace subclause (1)(h) with:
- "(h) if the **price category** code assigned under paragraph (g) requires a value for the capacity of the **ICP**, the **chargeable capacity** of the **ICP**, as follows:
  - "(i) if the **chargeable capacity** cannot be determined before **electricity** is traded at the **ICP**, a placeholder **chargeable capacity**:"
  - "(ii) if the capacity value can be determined from the **metering information**, no **chargeable capacity**:"
  - "(iii) in any other case, the actual **chargeable capacity**:".

**24 Schedule 11.1, clause 9 amended**

In Schedule 11.1, clause 9(1), delete paragraph (e).

**25 Schedule 11.1, clause 14 amended**

In Schedule 11.1, clause 14(1)(a), replace "and" with "or".

**26 Schedule 11.1, clause 15 replaced**

In Schedule 11.1, replace clause 15 with:

**"15 "New" or "Ready" status for 24 calendar months or more**

"(1) Subclause (2) applies if—

- "(a) an **ICP** has had the status of "New" for 24 calendar months or more; or
- "(b) an **ICP** has had the status of "Ready" for 24 calendar months or more.

"(2) The **distributor** must—

- "(a) ask the **trader** who intends to trade at the **ICP** whether the **ICP** should continue to have that status; and
- "(b) decommission the **ICP** if the **trader** advises that the **ICP** should not continue to have that status."

**27 Schedule 11.2, clause 7 amended**

In Schedule 11.2, clause 7, replace "1" with "2".

**28 Schedule 11.2, new clause 7A inserted**

In Schedule 11.2, after clause 7, insert:

**"7A** Despite clause 7, the **market administrator** may authorise the change if the applicant **distributor** has not notified the **market administrator** within the time frame required under clause 4, if—

- "(a) the applicant **distributor** has complied with clauses 2, 3 and 5; and

- "(b) the **market administrator** considers that it has not been materially disadvantaged by the applicant **distributor's** failure to comply with clause 4."

**29 Schedule 11.3, clause 4 amended**

In Schedule 11.3, clause 4(1)(a), delete "receipt of".

**30 Schedule 11.3, clause 20 amended**

In Schedule 11.3, replace clause 20(1) with:

- "(1) The **Authority** may, from time to time, after consultation with **participants**, do all or any of the following:
- "(a) determine the method by which **participants** exchange information:
  - "(b) determine the file formats that **participants** must use to exchange information:
  - "(c) alter the file formats or the method by which **participants** exchange information."

**31 Schedule 11.4, Table 1 amended**

In Schedule 11.4, Table 1, column 3, row 23, replace "which" with "that".

**32 Clause 12.35 amended (Increased services and reliability)**

Amend clause 12.35 as follows:

- (a) in the heading, replace "services" with "service levels":
- (b) in subclause (1)(a), replace "services" with "service levels".

**33 Clause 12.36 amended (Decreased services and reliability)**

Amend clause 12.36 as follows:

- (a) in the heading, replace "services" with "service levels":
- (b) in subclause (1)(a), replace "services" with "service levels".

**34 Schedule 12.4, clause 3 amended**

Amend Schedule 12.4, clause 3 as follows:

- (a) delete the definition of "**regional coincident peak**":
- (b) insert in its appropriate alphabetical order:  
"**regional coincident peak demand or RCPD** for a **customer** at a **connection location** means the **customer's offtake** at that **connection location** during a **regional peak demand period**. This definition is subject to clause 34 of this **transmission pricing methodology** and any prudent discount agreement".

**35 Clause 12A.4 amended (Prudential requirements)**

In clause 12A.4(6)(a), after "at the time", insert "the **trader** provides the cash deposit".

**36 Clause 12A.13 amended (Authority may publicise EIEPs that must be used)**

In clause 12A.13, after subclause (5), insert:

- "(6) Despite subclause (4), the **Authority** may **publicise** the **EIEPs** described as EIEP1, EIEP2 and EIEP3 under this clause, despite the **Authority** having



consulted with **participants** that the **Authority** considers likely to be affected by those EIEPs, before this clause came into force."

**37 Clause 13.1 amended (Contents of this Part)**

Amend clause 13.1 as follows:

(a) after paragraph (da), insert:

"(db) the **clearing manager** calculates **constrained off amounts** and **constrained on amounts**; and";

(b) after paragraph (f), insert:

"(fa) **disclosing participants** prepare and submit **spot price risk disclosure statements**; and".

**38 Clause 13.38 amended (Ancillary service agents to submit reserve offers to system operator)**

In clause 13.38(3), after "subclause (1)", insert ", by an **ancillary service agent** that is a **generator**",.

**39 Clause 13.39 amended (Inter-relationship between reserve and energy offers)**

In clause 13.39, after "Accordingly, an **ancillary service agent**", insert "that is a **generator**".

**40 Clause 13.44 amended (How quantity is to be specified in reserve offers)**

Amend clause 13.44 as follows:

(a) replace "in 6 seconds" with "as **fast instantaneous reserves**";

(b) replace "60 seconds" with "**sustained instantaneous reserves**".

**41 Clause 13.47 amended (Quantity changes may be made within 2 hours before trading period)**

In clause 13.47(2), after "submission", delete ",."

**42 Clause 13.53 amended (Additional information to be provided by participants)**

Amend clause 13.53 as follows:

(a) after "**reserve offer**", insert "for **partly loaded spinning reserve** or **tail water depressed reserve**";

(b) after "**partly loaded spinning reserve**", replace "and" with "or".

**43 Clause 13.60 amended (Block dispatch may occur)**

After clause 13.60(2), insert:

"(3) The **generator** must notify the **system operator** and the **clearing manager** of any change to an agreement for **block dispatch** made under this clause or clause 13.61 at least 5 **business days** before the change takes effect."

**44 Clause 13.61 amended (System operator to notify block security constraints)**

In clause 13.61, revoke subclause (3).

**45 Clause 13.76 amended (Dispatch instructions to be logged)**



In clause 13.76(6), replace "(4)" with "(5)".

**46 Clause 13.80 amended (Dispatch instructions provided to grid owner)**

In clause 13.80(1), replace "electricity" with "active power".

**47 Clause 13.81 amended (Backup procedures if communication not possible)**

In clause 13.81(b), after "generator", insert "or ancillary service agent".

**48 Clause 13.90 amended (Process for publishing real time prices)**

Replace clause 13.90(1)(b)(ii) with:

"(ii) the number of groups of transmission lines or transformers, or both, that have a total MW arc flow equal to the relevant maximum flow limit (in MW) as set by the system operator in accordance with Schedule 13.3:".

**49 Clause 13.194 amended (Clearing manager to calculate constrained off amounts)**

In clause 13.194(2)(c), replace "frequency keeping" with "frequency keeping".

**50 Schedule 13.1, Form 5 amended**

Amend Schedule 13.1, Form 5 as follows:

- (a) replace "Fast Response" with "Fast Instantaneous Reserve" in each place:
- (b) replace "Sustained Response" with "Sustained Instantaneous Reserve" in each place.

**51 Schedule 13.1, Form 6 amended**

Amend Schedule 13.1, Form 6 as follows:

- (a) replace "Fast Response" with "Fast Instantaneous Reserve" in each place:
- (b) replace "Sustained Response" with "Sustained Instantaneous Reserve" in each place.

**52 Schedule 13.1, Form 7 amended**

Amend Schedule 13.1, Form 7 as follows:

- (a) replace "Fast Response Reserve" with "Fast Instantaneous Reserve" in each place:
- (b) replace "Sustained Response Reserve" with "Sustained Instantaneous Reserve" in each place.

**53 Schedule 13.1, Form 9 amended**

Amend Schedule 13.1, Form 9, question 2 as follows:

- (a) replace "caused by a rule" with "caused by a Code":
- (b) replace "specify the rule" with "specify the clause".

**54 Schedule 13.3 amended**

- (1) Replace the heading of Schedule 13.3 with "The Modelling System".
- (2) In the heading of Schedule 13.3, clause 1, delete "the".
- (3) In Schedule 13.3, clause 6(c), replace "demand" with "demand" in each place.

**55 Clause 14.10 amended (Interest will be earned on cash deposits)**

In clause 14.10(1), replace "payer" with "**payer**".

**56 Schedule 14.6, clause 4 amended**

Amend Schedule 14.6, clause 4 as follows:

- (a) in subclause (3), replace "model data" with "information";
- (b) in subclause (5), replace "model data" with "information".

**57 Schedule 14.6, clause 5 amended**

In Schedule 14.6, clause 5(6)(a), replace "model data" with "information".

**58 Clause 15.10 amended (Local network and embedded network submission information)**

In clause 15.10, replace "11.8(1)" with "25(1) of Schedule 11.1".

**59 Clause 15.29 amended (Volume information disputes)**

Amend clause 15.29(12)(b) as follows:

- (a) after "**reconciliation participant** whose", replace "**submission**" with "**volume**";
- (b) replace "corrected **submission information**" with "corrected relevant information".

**60 Clause 15.33 amended (The Authority publishes reports)**

In clause 15.33, replace "publish" with "**publish**".

**61 New cross heading inserted**

Above clause 15.38, insert the cross heading "*Certification*".

**62 Clause 15.38 amended (Functions requiring certification)**

After clause 15.38(1A), insert:

"(1B) For the purposes of subclause (1A), each reference to a **reconciliation participant** in Schedule 15.1 is to be read as a reference to a **dispatchable load purchaser**".

**63 New cross heading inserted**

Above clause 15.39, insert the cross heading "*Participant identifiers*".

**64 Schedule 15.1, clause 8A amended**

In Schedule 15.1, clause 8A(3), replace "certification" with "**certification**".

**65 Schedule 15.2, clause 17 amended**

In Schedule 15.2, clause 17(4)(f), replace "list" with "log".

**66 Schedule 15.3, clause 2 amended**

In Schedule 15.3, clause 2(1)(c), replace "**relevant information**" with "relevant information".

**67 Schedule 15.4, clause 16 amended**

Amend Schedule 15.4, clause 16 as follows:

- (a) in subclause (1), definition of  $Q_{BA-EN}$ , replace "supplied" with "conveyed";
- (b) in subclause (2), definition of  $Q_{ICPD-LA}$ , replace "supplied" with "conveyed".

**68 Schedule 15.4, clause 22 amended**

In Schedule 15.4, clause 22, replace "**loss**" with "loss".

**69 Schedule 15.5, clause 17 amended**

In Schedule 15.5, clause 17(2), replace "**volumes**" with "**information**".

**70 Schedule 15.5, clause 18 amended**

In Schedule 15.5, clause 18(2), replace "**submission volumes**" with "**non half hour submission information to trading periods**".

---

### **Explanatory Note**

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

The amendment makes various minor amendments to the Electricity Industry Participation Code 2010 ("Code") including:

- (a) adding bold to defined terms, or removing bold from terms that are not defined;
- (b) placing defined terms into the correct alphabetical order;
- (c) removing unnecessary words;
- (d) correcting clause headings and contents clauses;
- (e) correcting wording where the context is clear that the wrong wording has been used; and
- (f) reducing minor obligations on participants.

This amendment to the Electricity Industry Participation Code 2010 comes into force on 15 May 2014.

---

Date of notification in the *Gazette*: 17 April 2014