

Notice of the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011

1. Pursuant to section 38(3)(b) of the Electricity Industry Act 2010, the Electricity Authority (“Authority”) gives notice of the making of the Electricity Industry Participation (Demand-side Bidding and Forecasting) Code Amendment 2011.

2. The amendment comes into force as follows:

- (a) The part of the amendment referred to in paragraph 3(a) below, on **28 March 2012**; and
- (b) the parts of the amendment referred to in paragraphs 3(b) to (i) below, on **28 June 2012**.

3. The amendment provides for the introduction of demand-side bidding and forecasting by amending Part 1 and Part 13 of the Electricity Industry Participation Code 2010 (“Code”). The amendment:

- (a) provides for a process for the Authority to determine grid exit points (“GXPs”) as either conforming or non-conforming;
- (b) provides for a rolling 36-hour (72 trading periods) schedule period;
- (c) requires the system operator to make a central forecast of demand at conforming GXPs for each trading period in the schedule period;
- (d) requires purchasers at non-conforming GXPs to submit bids called “nominated bids” for each trading period in the schedule period;
- (e) relaxes the threshold that triggers an obligation on a purchaser to revise its bid at a non-conforming GXP;
- (f) allows purchasers at conforming GXPs to submit bids called “difference bids” to signal an intention to respond to price;
- (g) requires the system operator to prepare, and publish information from, a price-responsive schedule (“PRS”) that utilises the central forecast of demand and all purchasers’ bids (quantities and prices), and a non-response schedule (“NRS”) that utilises the central forecast and the quantities from purchasers’ nominated bids, but not the prices from those nominated bids, nor any information from difference bids;
- (h) requires the system operator, every two hours, to prepare jointly a PRS and a NRS covering a 36-hour period; and
- (i) requires the system operator, every half hour, to prepare a PRS and a NRS covering a 4-hour period.

4. A copy of the amendment and the Code is available on the Electricity Authority’s website at

www.ea.govt.nz/act-code-regs/code-regs/the-code/

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 10th day of October 2011.

DR THOMAS BRENT LAYTON, Chairperson,
Electricity Authority.

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