

**Electricity Industry Participation (High Spring Washer
Price Situation) Code Amendment 2011**

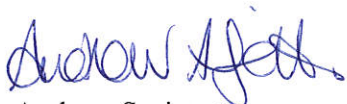
Pursuant to sections 38 and 40 of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation Code 2010.

At Wellington on the 16th day of December 2011



Dr Thomas Brent Layton
Chairperson
Electricity Authority

Certified in order for signature:



Andrew Springett
Senior Legal Counsel
Electricity Authority

16 December 2011



Susie Kilty
Partner
Buddle Findlay

16 December 2011

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Amendment

1 Title

This is the Electricity Industry Participation (High Spring Washer Price Situation) Code Amendment 2011.

2 Commencement

This Amendment comes into force on 23 December 2011.

3 Principal Code amended

This Amendment amends the Electricity Industry Participation Code 2010.

4 Methodology to resolve high spring washer price situation

Clause 13.134 is amended by omitting subclause (2) and substituting the following subclauses:

"(2) If this clause applies, the **system operator** must—

"(a) identify each **transmission security constraint** that has **bound** in the relevant **trading period**; and

"(b) identify the **constraint price** associated with each **transmission security constraint** identified in accordance with paragraph (a); and

"(c) apply the **high spring washer price relaxation factor**—

"(i) to the maximum flow limit of the **transmission security constraint** with the highest associated **constraint price**; and

"(ii) to the maximum flow limit of each **transmission security constraint** that is parallel with the **transmission security constraint** referred to in subparagraph (i).

"(2A) In this clause, **transmission security constraint A** is parallel with **transmission security constraint B** if **transmission security constraint A** applies to 1 or more transmission lines or transformers that directly connect the same **nodes** as the transmission

lines or transformers to which **transmission security constraint B** applies.

"(2B) For the purposes of subclause (2A), a combination of transmission lines and transformers directly connects 2 **nodes** if that combination connects those **nodes** without connecting to another **node**."

Explanatory Note

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

This amendment to the Electricity Industry Participation Code 2010 comes into force on 23 December 2011. This amendment updates the methodology that the system operator is required to apply to resolve a high spring washer price situation to take into account the effect of the system operator's simultaneous feasibility test.

Date of notification in the *Gazette*: 22 December 2011.