

**Notice of the Electricity Industry Participation
(Financial Transmission Rights) Code
Amendment 2011**

1. Pursuant to section 38(3)(b) of the Electricity Industry Act 2010, the Electricity Authority gives notice of the making of the Electricity Industry Participation (Financial Transmission Rights) Code Amendment 2011.
2. The amendment comes into force on **1 October 2011**.
3. The amendment provides for the introduction of financial transmission rights ("FTRs") by inserting a new subpart 6 into Part 13 of the Electricity Industry Participation Code 2010 ("Code"), and also by amending Parts 1 and 14 of the Code.

The amendment provides for:

- (a) the creation and allocation of FTRs, and operation of an FTR register, by an FTR manager;
 - (b) the assignment of FTRs;
 - (c) prudential requirements for FTR holders;
 - (d) the collection and allocation of FTR auction revenue, handling of receipts and payments in respect of FTRs, and establishment of an FTR account by the clearing manager;
 - (e) remedies that may be exercised by the clearing manager in an event of default in respect of FTRs; and
 - (f) the allocation of a portion of the loss and constraint excess to the FTR account.
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/the-code/
 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 8th day of August 2011.

DR THOMAS BRENT LAYTON, Chairperson, Electricity Authority.

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