

Electricity Industry (Exemption No. 331 (Wellington Electricity Lines Limited)) Exemption Notice 2023

The Electricity Authority gives this Notice in accordance with section 11 of the Electricity Industry Act 2010 (“Act”) to enable Wellington Electricity Lines Limited (“Wellington Electricity”) to participate in a trial involving multiple trading relationships, facilitated by Kāinga Ora and Ara Ake, which is aimed at reducing energy hardship for a defined group of vulnerable New Zealanders (“trial”).

Notice

1. Title and Commencement

(1) This Notice is the Electricity Industry (Exemption No. 331 (Wellington Electricity Lines Limited)) Exemption Notice 2023.

(2) This Notice comes into force on the day after the date it is notified in the *New Zealand Gazette*.

2. Exemption

(1) In respect of the ICPs in the trial, Wellington Electricity is exempted from complying with the clauses of the Electricity Industry Participation Code 2010 (“Code”) listed in Table 1 in the manner in which those clauses ordinarily apply (where there is a single ICP identifier); and

(2) For the purposes of the trial, Wellington Electricity is exempted from complying with the Code clauses listed in Table 1 in the manner in which those clauses ordinarily apply (where there is a single ICP identifier) in respect of no more than 200 residential ICPs that are notified to the Electricity Authority; and

(3) Unless specified otherwise, Wellington Electricity is exempted from complying with the Code clauses listed in Table 1 in the manner in which those clauses ordinarily apply (where there is a single ICP identifier), provided that it complies with those Code clauses subject to and in accordance with the terms and conditions contained in Part 3 of this Notice.

Table 1: Code clauses which Wellington Electricity is exempted from complying with in the manner in which those Code clauses ordinarily apply (where there is a single ICP identifier)

No.	Code clauses
1.	Clause 10.23A of Part 10
2.	Clause 10.31(2) of Part 10
3.	Clause 10.31C of Part 10
4.	Clause 11.4 of Part 11
5.	Clause 11.5 of Part 11
6.	Clause 11.31 of Part 11
7.	Clause 1 of Schedule 11.1 of Part 11
8.	Clause 3 of Schedule 11.1 of Part 11

3. Terms and Conditions

Wellington Electricity is exempted from complying with the Code clauses contained in Table 1 in the manner in which those clauses ordinarily apply (where there is a single ICP identifier), provided that it complies with those Code clauses subject to and in accordance with the following terms and conditions:

Table 2: Terms and conditions that apply to Exemption No. 331 Wellington Electricity Lines Limited

No.	Code clause(s) to which the condition relates (if applicable)	Terms and conditions
General terms and conditions		
1.		In this Notice: a. “Primary ICP identifier” refers to the consumption ICP identifier; and b. “Secondary ICP identifier” refers to the export ICP identifier.

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2.		For the purposes of Wellington Electricity’s participation in the trial and as the context requires, references to the singular may include the plural, and vice versa, including in clauses 10.31(2), 10.31C, 11.4 and 11.5 (as specified in this Table 2).
3.		Wellington Electricity will deal only with Intellihub Limited as the metering equipment provider for the purposes of the trial.
4.		Wellington Electricity will deal only with an export retailer that holds an exemption(s) to participate in the trial.
5.		For all ICPs that are intended to be part of the trial, Wellington Electricity will: <ul style="list-style-type: none"> a. notify the Electricity Authority of the ICP identifier; and b. confirm that the ICP identifier complies with all applicable terms and conditions in this Notice.
6.		Wellington Electricity will recombine the ICPs and decommission the secondary ICP identifier if Intellihub Limited notifies it that a metering installation at a point of connection has been used in the trial that: <ul style="list-style-type: none"> a. is not a Category 1 meter; b. is a meter that is bridged; c. is a meter that does not comply with the Code; d. is a meter that will require recertification during the trial; or e. is a metering installation that does not have unmetered load or shared unmetered load.
7.		If, for the purposes of the trial, Wellington Electricity identifies that it requires an exemption from an additional Code clause or that an existing exemption under this Notice requires modification, it will notify the Electricity Authority of the proposed amendment to this Notice, and the Electricity Authority will consider such amendment in accordance with section 11(4).
8.		Wellington Electricity will notify the Electricity Authority immediately of any issues arising from the trial that the Authority may need to address urgently.
Terms and conditions relating to exemptions in respect of clauses in Part 10 of the Code		
9.	Clause 10.23A	If a metering installation involved in the trial is to be decommissioned in accordance with clause 10.23A, Wellington Electricity will ensure that the secondary ICP identifier is removed before the metering installation is decommissioned.
10.	Clause 10.31(2)(a), clause 10.31C(2)(d)	For the purposes of the trial, the words “trader trading at the ICP” in clause 10.31(2)(a) and “trader” in clause 10.31C(2)(d) will be read in the plural to include both a consumption trader and an export trader at an ICP.
11.	Clause 10.31(2), clause 10.31C	Wellington Electricity will not connect a new ICP identifier to its network until both a consumption trader and an export trader are confirmed for each ICP identifier in the trial.
12.	Clause 10.31C	Wellington Electricity will not disconnect the primary ICP identifier or the secondary ICP identifier in the trial until it has advised the consumption retailer, export retailer, Electricity Authority and Kāinga Ora that it intends to disconnect the primary ICP identifier or the secondary ICP identifier.

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13.		Wellington Electricity will only create a secondary ICP identifier for an ICP in the trial if: <ul style="list-style-type: none"> a. the meter is an Advanced Metering Infrastructure meter (AMI meter); and b. the meter is not bridged; and c. the metering installation does not have unmetred load or shared unmetred load; and d. the profile of the meter is either Half Hour Reconciled (HHR) or Photovoltaic 1 (PV1).
14.		If Condition 13 is not met, Wellington Electricity will remove the secondary ICP identifier from the trial within 20 business days.
15.		If Wellington Electricity has removed a secondary ICP identifier from the trial for any reason, it will: <ul style="list-style-type: none"> a. return the ICP to compliance with the Code under the primary ICP identifier before the secondary ICP identifier is decommissioned; and b. set the secondary ICP identifier status to 'decommissioned'; and c. notify the Electricity Authority within 5 business days of the site being removed from the trial, with reasons as to why the secondary ICP identifier was removed from the trial.

Terms and conditions relating to exemptions in respect of clauses in Part 11 of the Code

16.	Clause 11.4 and clause 1 of Schedule 11.1	Wellington Electricity may create a secondary ICP identifier for each ICP in the trial in accordance with clause 1 of Schedule 11.1 only when Kāinga Ora requests it to do so.
17.	Clauses 11.4 and 11.5	Wellington Electricity may read references to "an ICP identifier", "an ICP" and "each ICP" in clauses 11.4 and 11.5 in the plural for each ICP in the trial to reflect that there are two ICP identifiers for each point of connection.
18.	Clause 11.31	Wellington Electricity will provide information for both ICP identifiers at an ICP if it receives a request from a customer in accordance with clause 11.31.
19.	Clause 3 of Schedule 11.1	Wellington Electricity will disconnect an ICP in the trial at the request of the consumption retailer but not at the request of the export retailer.
20.	Clause 3 of Schedule 11.1	Wellington Electricity will notify the consumption retailer at an ICP (except if disconnection was requested by the consumption retailer), the export retailer at an ICP, Intellihub Limited, the Electricity Authority and Kāinga Ora if it needs to disconnect an ICP in the trial for any reason. This condition does not prevent Wellington Electricity from otherwise disconnecting an ICP for a bona fide reason.

Reporting to the Electricity Authority

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21.		<p>To allow the Electricity Authority to assess the implications of the trial regarding policy development relating to multiple trading relationships and the Code, Wellington Electricity will provide the Authority with a report every six months (“six-monthly report”) beginning on the date which is six months after the date on which this Notice takes effect. This will be one consolidated report produced in collaboration with Ara Ake, Kāinga Ora and Intellihub Limited, and will include the information listed below:</p> <ul style="list-style-type: none"> a. the number of ICPs in the trial at the date of the six-monthly report; b. any issues that have occurred or were raised since the last six-monthly report relating to trial participants (including consumers, Wellington Electricity and Intellihub Limited), Ara Ake, Kāinga Ora, and any other market participants or observers not directly involved in the trial, and how these issues were managed; c. any information that may inform consideration of potential future Code changes, specific to the trial, or to multiple trading relationships more widely; d. a register which lists notifications from any other participant about the trial, including the substance of the notification and when the notification was received; and e. any other information that Wellington Electricity considers relevant.
Termination		
22.		<p>If Wellington Electricity intends to terminate its involvement in the trial, it will give the Electricity Authority four months’ written notice of such intention to enable the Electricity Authority to revoke this and any other exemption relating to the trial in accordance with section 11(4) of the Act.</p>

4. Term

(1) This exemption expires on the earlier of the following:

- a. 30 June 2028; or
- b. if an ICP that has not been approved for inclusion in the trial has a second ICP identifier created for it, on such date that the second ICP identifier was created; or
- c. the date on which either this Notice or Electricity Industry (Exemption No. 330 (Intellihub Limited)) Exemption Notice 2023, or any other exemption granted by the Electricity Authority in respect of the trial, is revoked by the Electricity Authority in accordance with section 11(4) of the Act.

5. Reasons for Granting the Exemption

(1) The reasons for granting this exemption are:

- a. the trial requires a consumption retailer and an export retailer for each ICP involved in the trial;
- b. the trial requires two ICP identifiers for each ICP involved in the trial;
- c. the Code does not allow more than one trader at a single ICP or more than one ICP identifier at a single ICP;
- d. this exemption will provide a limited degree of regulatory relief to Wellington Electricity so that it can participate in the trial;
- e. the Electricity Authority is satisfied that exempting Wellington Electricity is not necessary for the purposes of achieving the Authority’s objectives under section 15 and/or better achieves the Authority’s objectives than requiring compliance because:
 - i. the exemption will have no effect on the Authority’s ability to promote competition for the long-term benefit of consumers;
 - ii. the exemption will have no effect on the Authority’s ability to promote reliability of supply;
 - iii. the exemption supports the Authority’s ability to promote the efficient operation of the electricity industry by informing potential Code changes in an innovative area of policy design;

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- iv. the exemption enables the trial, which is aimed at reducing energy hardship for a group of vulnerable New Zealanders;
 - v. the trial involves an innovation that can be tested with a limited number of ICPs in a small geographic area of New Zealand;
 - vi. the trial invests government funding in renewable energy at properties owned by Kāinga Ora and represents an attempt to increase the uptake of renewable energy at residential properties; and
 - vii. the benefits of the trial could extend beyond public housing; and
- f. a five-year period will enable Kāinga Ora, Ara Ake and the Electricity Authority to obtain sufficient data to form a view as to the effectiveness of the trial and of multiple trading arrangements.

Dated at Wellington this 3rd day of July 2023.

For and on behalf of the Electricity Authority:
DR NICOLA LANE CRAUFORD, Chair, Electricity Authority.

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04-07-2023 11:49
