



21 April 2023

Sarah Gillies  
Chief Executive  
Electricity Authority  
P O Box 10041  
Wellington 6143

*Top Energy Limited*

Level 2, John Butler Centre  
60 Kerikeri Road  
P O Box 43  
Kerikeri 0245  
New Zealand  
PH +64 (0)9 401 5440  
FAX +64 (0)9 407 0611

Email: [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz)

Dear Sarah

Please find appended Top Energy Limited's (TEL) application for an exemption from the Electricity Industry Participation Code 2010 (Code).

As outlined in the application, we are seeking an exemption under the Code from compliance with arm's-length rules 9 and 10 to permit the senior management of TEL and its wholly owned subsidiary Ngawha Generation Limited (NGL) to be shared in respect of proposed increased generation capacity being developed by NGL.

The exemption sought is related to the amendment to its existing exemption EA003 to reflect an increased capacity from 75MW to 125MW. We would like to assure the Authority that this would be the last time we seek such an exemption as this fully utilises the geothermal resource and consents at Ngawha.

A generator of this size that is owned by a distributor, would not normally be embedded in a distribution network, it would be connected to the national grid. Top Energy took over ownership of all Transpower's substations in the Far North in 2012, with the closest substation now some 70km away at Maungatapere. As requested in your letter dated 20<sup>th</sup> October 2021, we have assessed the three possible options to avoid this application. The substantial additional costs to grid connect or implement full corporate management separation structures are not efficient investments and the sale of the generation assets are not in the best interests of Far North consumers.

We have therefore carefully considered this application and believe that it is supportive of the Authority's statutory objective which also resonates with TEL and a key objective within our Statement of Corporate Intent "to minimise the total delivered cost of electricity to our consumers".

We have been focused on delivering against this objective and over the past four years, have decreased our distribution charges by 23% and absorbed the recent increase in transmission charges, passing through no increases from 1 April 2023. In the current economic environment, we are doing everything possible to support our owners the consumers of the Far North, of which 99% are domestic and small business consumers. A large proportion of these are Maori and live in energy poverty. The average domestic consumption is only 5,000 units per annum. We have also been encouraging consumers to use Powerswitch, promoting this with sessions at local business associations and community events the average saving per consumer is estimated to be \$550 each year. In addition, we are also looking long-term, creating efficiency through our existing investments, and promoting reliability of supply for consumers in the Far North and across Northland.

Ngawha currently generate 125% of the electricity consumed in the Far North, the final stage of the development will increase this to 200% placing the region well for the increase in energy consumed through decarbonisation. In addition, across Northland 2,000MW of applications for new renewables are being process between Transpower, Northpower and Top Energy. The region has a huge opportunity to support not just the north but also Auckland as it continues to grow and decarbonise.

We are also very proud of our results in decarbonising our generation with significant progress over the last 12 months resulting in three of our four geothermal power stations no longer releasing any carbon emissions. We are working on completing the final station this calendar year and providing long term value by supplying carbon free geothermal generation. We have moved from being the most carbon intensive geothermal generator releasing approximately 130,000 tonnes per annum to one of the cleanest. Our goal is for Top Energy Group is to be Carbon Zero by the end of the financial year.

We note that we have a separate exemption for 17.87MW of diesel/bio-diesel generation which is used for network support, and which expires on 30 October 2026 or earlier if further generation is purchased or otherwise obtained. Although we don't believe that our application constitutes the purchase or obtaining of generation, we do seek confirmation that our application does not trigger a review of this exemption as the exemption still provide the most cost effective critically needed supply backup to the areas the gensets service and there are no economically viable alternative network support options available in the Far North. We will engage with the Authority on this separate exemption in due course.

When we were granted the exemption for the network support backup diesel generation, the Authority commented that we should engage with the Authority in relation to our plans before we undertake further generation investment I would welcome the opportunity to discuss the exemption we have applied for and its impact on the exemption relating to the gensets with you, your team and the board if required as we work together to deliver optimal outcomes for our consumers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Russell Shaw', with a stylized flourish at the end.

**Russell Shaw**  
Chief Executive  
Top Energy Limited

Appendix

Application for an exemption from the Electricity Industry participation Code 2010



## Application for an exemption from the Electricity Industry Participation Code 2010 (Code)

Email: [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz)

Date: 21 April 2023

Top Energy Limited  
Level 2, John Butler Centre  
60 Kerikeri Road  
P O Box 43  
Kerikeri 0245  
New Zealand  
PH +64 (0)9 401 5440  
FAX +64 (0)9 407 0611

---

### Q 1 Who is the exemption for?

Give the full legal (company or otherwise) name and address of the participant seeking the exemption and the relevant details of the contact person for the exemption. The application must be made by the participant that the exemption will apply to, though other parties (participants or otherwise) may be involved in the process.

**Top Energy Limited (TEL) is the participant seeking an exemption under the Code from compliance with arm's-length rules 9 and 10 to permit the senior management of TEL and its wholly owned subsidiary Ngawha Generation Limited (NGL) to be shared in respect of proposed increased generation capacity being developed by NGL.**

**The exemption sought is solely related to the amendment to its existing exemption EA003 to reflect that increased capacity.**

TEL is an electricity distributor based in Kerikeri in the Far North Region of New Zealand. Its address is: Level 2 John Butler Centre 60 Kerikeri Road Kerikeri. (PO Box 43 Kerikeri 0245)

The TEL contact person in respect of this application is:

#### **Paul Doherty**

General Manager Finance

Phone: (09) 407 0623

Email [Paul.Doherty@topenergy.co.nz](mailto:Paul.Doherty@topenergy.co.nz)

### Q 2 When is the exemption required?

Specify the date when a decision is needed and when any exemption granted would need to be gazetted (active). For all non-urgent applications, please refer to the Authority's instructions published at <http://www.ea.govt.nz/code-and-compliance/the-code/exemptions-to-the-code/how-to-apply-for-an-exemption/>. If the application is urgent, please include the reasons for seeking urgent consideration.

The decision to proceed with the development of the new generation requires the completion of a business case of which the exemption forms part. As a consequence, the decision to proceed is not able to be made without the regulatory certainty that the exemption from arm's-length rules 9 and 10 will provide in relation to the ownership and operation of the new generation capacity.

Accordingly, the decision on the exemption is required no later than 30 September 2023

---

**Q 3 What do you want an exemption from?**

*Give the provisions of the Code from which the exemption is sought.*

TEL seeks an exemption from compliance with arm's-length rules 9 and 10 in respect of its involvement in NGL, its wholly owned subsidiary, to permit senior management to be common to both TEL and NGL.

TEL is currently exempt from these arm's-length rules under EA003 with the exemption applying in respect of the 75 MW capacity of NGL's existing geothermal generation plants at Ngawha Springs.

TEL seeks an amendment to the generation capacity on which that exemption is based because it is considering the development of further generation capacity. The increased capacity would represent new geothermal generation at the Ngawha Springs geothermal resource of an anticipated 42 MW, together with 10 MW of solar generation developed in conjunction with the new geothermal plant.

It is the current practice internationally for the contractor, which has constructed all the existing plants and is therefore likely to be appointed to construct the new geothermal generation plant, to also develop solar generation capacity to operate alongside and in conjunction with the proposed new geothermal generation. This has become standard practice to maximise the value from the land used as a lay-down area during the construction period, thereby creating value from the civil works investment for the sizable flat area. This would take the combined generation capacity for which the exemption would apply to 125 MW.

Without certainty over its ability to own and operate the new generation capacity, NGL will not be in a position to determine whether it is able to commit to \$█m or more to develop that new capacity.

---

**Q 4 Why are you seeking this exemption?**

*Please specify the problem that the exemption would resolve, reasons for the problem arising, and how the exemption would address this problem.*

**Existing Exemption**

NGL owns and operates four geothermal generation plants which operate at Ngawha Springs, with a combined capacity of 75 MW. That generation is connected to TEL's network, and accordingly, NGL is a connected generator for the purposes of Clause 6A.4(3) of the Code. It is in respect of that connected generation that the existing exemption granted in EA003 applies to exempt TEL from the requirement to comply with arm's-length rules 9 and 10. TEL is required to, and does, comply with all the other arm's-length rules.

It is intended that NGL's new generation capacity will be connected to TEL's network and therefore will be connected generation, taking the total of NGL connected generation from 75 MW to 125 MW.

Before TEL can determine whether or not to proceed with the development of the new generation capacity, certainty over the ownership and operation of this new generation capacity is required. Amending the existing capacity on which the current exemption is based from 75 MW to 125 MW will provide that regulatory certainty.

## New Proposed Generation

The resource consents held by TEL in respect of extraction and reinjection of geothermal fluid from the Ngawha Springs geothermal resource are sufficient to permit the generation of additional generation of the further 39-40 MW referred to.

No other person holds any resource consent to extract geothermal fluid from the resource. The resource consents held represent the maximum extraction of geothermal fluid that the Ngawha Springs resource can sustain in the long term. Therefore, it is unlikely that any other person will be able to obtain further resource consents in respect of the resource.

However, the contractual commitment to incur the more than \$■■■■m for the construction and development of this additional generation capacity cannot be undertaken until TEL has sufficient regulatory certainty in respect of the ownership and operation of this new generation.

---

### Q 5 What alternatives to the exemption have been explored?

*Please list the alternative solutions that have been explored and give details of why they are not suitable to address the problem.*

TEL has explored three alternative solutions to the exemption now sought. For the reasons outlined, none of these alternatives provide long term benefits for consumers in Northland (TEL and Northpower networks) New Zealand.

#### 1. Connection of all NGL Ngawha generation to the national grid.

Section 73 of the Electricity Industry Act 2010 permits a distributor to be involved in a generator without complying with the arm's-length rules if that generator's generation capacity is less than 250 MW and such generation is directly connected to the national grid. NGL has therefore investigated direct connection to the national grid and has engaged with Transpower in relation to such connection.

This has proven to be somewhat difficult.

#### Costs of connection to national grid

Transpower has advised that the additional connection assets to be constructed which will allow connection to the grid to Transpower's required standards, will cost in the vicinity of \$■■■■m. It is important to note that in the absence of detailed planning and specification work, this number could be conservative, and the actual cost of grid connection could be substantially more and possibly up to \$■■■■m.

In addition, NGL will be required to pay ongoing transmission charges as a result of grid connection currently estimated to be \$■■■■m p.a. in real terms.

While these costs are directly incurred by NGL, they will indirectly be passed through from NGL to TEL in the form of reduced dividends, which in turn, will reduce the free cashflows that TEL could pass on to the Top Energy Consumer Trust to return to its Far North consumers.

This implies that Far North consumers will be required to pay an unnecessary additional charge so that desirable baseload generation (from the only source north of Auckland) is built as we strive to support the 100% renewable target for the benefit of NZ Inc.

Imposing further costs (by the way of reduced dividends) on these consumers is clearly not in their long-term interests.

The Northland region consumer base has its socio and economic challenges and minimising the need to incur unnecessary costs should be avoided. The granting of the exemption will mean these costs are able to be avoided and will thus have a very substantial long-term benefit for consumers.

Further, granting the amendment to the exemption by increasing the capacity of generation to which it applies, avoids all such costs as the common management of TEL and NGL does not change. An increase in generation capacity will have no material impact on the existing NGL operations and costs structures.

Requiring TEL to comply with arm's-length rules 9 and 10 is not necessary for the purposes of the Authority achieving its statutory objectives. The benefits which arise as a result of the granting of the exemption significantly outweigh any adverse effects when considering the financial benefits which arise through avoided costs, resulting in the long-term interests of consumers being served.

### **Delay impacts the reliability and security of supply to Northland**

If the entire Ngawha generation capacity was to be connected to the national grid, not only will substantial costs be incurred, but in light of the delays encountered to date, when added to Transpower's existing work commitments associated with the grid connection pipeline, it is very clear, that a grid connection will not be able to be undertaken and completed in the near term.

To put some context around this, Transpower was approached by NGL in September 2022. Since then, there has been no less than a dozen letters exchanged, meetings held, and the grid connection project is no further ahead. This grid connection is listed as number 42 on the Transpower new generation pipeline. Transpower has advised that its current workload indicates it won't be able to start scoping the investigation for its consultants for another 7 months, with the investigation and selection of the preferred option unlikely to be completed before the end of calendar year 2024.

Even if grid connection was initiated today, the time for completion of the planning and design work required and then the construction of the connection itself will be driven by other reliability and security demands on Transpower, such as the requirement to relocate Hawkes Bay sub-station. These other demands will understandably likely take priority, and this may impact on the connection within the required time frames.

Further, it is difficult to see how requiring Transpower to undertake this grid connection work, by not granting the minor amendment to the existing exemption, could be seen as appropriate when by requiring Transpower to undertake the work, Transpower's ability to undertake more urgent, or preferred grid development or maintenance work could be compromised.

It makes little sense to forego reliability and security of supply benefits for consumers while these delays persist when there is a simple easily implementable no cost solution in the granting of the exemption. In this respect therefore the avoided cost through the granting of the exemption highlights the fact that the granting of the exemption will enable the Authority to better achieve its reliability and security of supply statutory objectives than requiring compliance. As well, compliance with arm's-length rules 9 and 10 is not necessary for the purpose of the Authority's achieving that statutory objective.

Recent weather events have shown that that it will not always be possible for electricity to be transmitted from the South Island to beyond Auckland. While it is accepted that there is a small commercial consumer base in the Northland region, there is a substantial risk that supply failure south of Auckland (including a supply interruption precluding export from the South Island) could not only seriously adversely affect Auckland domestic and commercial consumers, but that grid failure could result in a complete failure of supply further north.

Increasing local generation, particularly base load as opposed to interruptible load such as wind and solar, provides greater reliability and security of supply without requiring any investment in connection of the capacity to the national grid.

Importantly, the new geothermal generation when combined with the existing capacity is base load generation. The existing NGL generation is already being used for ensuring security for supply. As more and more interruptible load (wind and solar) is brought on stream, it is beneficial from a reliability and security perspective for this base load generation to be available.

### **Requiring grid connection does not promote efficient operation of the electricity industry**

The increased costs which result in grid connection of the Ngawha generation when considered in the context of those costs being able to be avoided illustrates how inefficient grid connection of this generation would be from an industry efficiency perspective.

It is far more efficient for the existing management structures in TEL and NGL to be permitted to operate the entire generation capacity at Ngawha, because no capital or transaction costs are required to be incurred in doing so. Utilizing the existing NGL personnel skills and experience in operating geothermal generation plants will avoid any transaction costs and is very efficient use of resources. Compliance with arm's-length rules 9 and 10 is not required for the purposes of the Authority achieving objectives relating to efficient operation of the electricity industry. In fact, granting the exemption would better achieve efficiency in this respect.

Reinforcing the significant benefits of granting the exemption from a statutory objective perspective is the fact that the skill, knowledge and experience of the NGL team has enabled NGL in relation to three of the four existing generation plants, to achieve carbon zero status and it is expected that the fourth plant will be achieved by the end of 2023. This will mean that the Ngawha generation capacity will be transformed from being one of the highest carbon emitting geothermal facilities in New Zealand to among the lowest and in line with wind, solar and hydro generation. Again, compliance with the arm's-length rules is not necessary for the purposes of promoting the decarbonisation of geothermal generation for the long-term benefit of consumers. As well, the decarbonisation illustrates how the granting of the exemption will promote the wider interests of consumers in the context of the Authority's statutory objectives.

## **2. Adoption of full corporate management separation structure**

An alternative to the granting of an increased capacity limit for the purposes of the exemption from arm's length rules 9 and 10 is the adoption of full corporate and management structure for both TEL and NGL.

TEL has previously provided the likely costs of the adoption of this alternative. These costs were identified by the Authority previously, being in excess of \$1.3m per year.<sup>1</sup> This might therefore be thought to be a viable alternative to a minor amendment to the existing exemption.

In reality however, attracting the required talent to the area has proven to be extremely challenging. Changing roles by reducing the scope of the roles to either network management or generation management, in TEL's opinion, will add to these challenges.

While from a theoretical perspective one might take the view that it would be easy to fill the required separate roles for network management and generation management, TEL's experience is that this is far from the reality. It has been exceptionally difficult to fill management positions over a long period of time.

Leaving aside the practicalities of successfully recruiting appropriately qualified and skilled personnel, in reality imposing the costs of this alternative on NGL by not granting the minor amendment to the exemption applied for will inevitably result in a lower dividend from NGL which results in reduced cash flow for TEL which could otherwise be passed onto the Top Energy Consumer Trust thus resulting in a potential reduction of distributions to consumers from the Trust. As previously noted, given the low socio-economic nature of the Far North consumer base, this is a very undesirable outcome from the perspective of the long term interests of consumers.

As well, it is difficult to see how a duplication of resources where there are no adverse consequences arising from the common management of both entities could be said to represent a desirable outcome from an efficiency perspective or from the perspective of protecting the interests of domestic and small business consumers.

### **3. Sale of NGL's generation assets**

The Authority has previously suggested that the alternative solution to the exemption sought is for TEL to sell NGL or NGL's generation assets.

Requiring this outcome will not be consistent with the Authority's statutory objectives. It will not change the electricity prices for the generation. This generation is base load and NGL management is incentivised to run the plants as much as possible. Other generators may not be so incentivised.

More significantly, the sale of the generation capacity will reduce TEL's cashflows from its investment in NGL. A sale would mean no ability for example, for TEL to absorb Transpower charge increases which reflects the ability to pass the benefit of the beneficial ownership and operation of NGL back to consumers. Effective 1 April 2023, Transpower charges increased by 205%. As noted, TEL reduced its charges and did not pass on the Transpower charge increase to consumers. There is a very substantial cost benefit for consumers through the ownership and control of NGL's generation for Far North consumers.

Importantly, the best way to protect domestic and small business consumers is for the generation to be retained and operated by TEL in the manner it has done to date.

---

<sup>1</sup> Electricity Authority: Application for exemption from arm's-length rules: Top Energy Limited: Final Decisions Paper 1 September 2017 clause 5.9



**Q 6 What effects will granting the exemption have on achieving the Authority's statutory objectives?**

*The Electricity Industry Act 2010 (Act) only permits the Authority to grant an exemption if it is satisfied that (a) it is not necessary, for the purpose of achieving the Authority's objectives under section 15, for the participant to comply with the Code or the specific provisions of the Code or (b) exempting the participant from the requirement to comply with the Code or the specific provisions of the Code would better achieve the Authority's objectives than requiring compliance.*

*To enable the Authority to be satisfied that compliance with the Code is not necessary to achieve the Authority's objectives under section 15, or that an exemption would better achieve the Authority's objectives than requiring compliance, please address the following questions:*

- a) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote competition in the electricity industry for the long-term benefit of consumers?*

The granting of the exemption will have a positive effect on competition in the electricity industry. The competition analysis undertaken in respect of the existing exemption shows that there are no adverse competition consequences of the use of common management by TEL and NGL. In fact, there are small competition gains to be made from the granting of the exemption particularly in the context of the encouragement and ability of NGL to provide smaller retailers over-the-counter hedge options which are currently only otherwise available from gentailers (being their competitors).

Having increased generation will provide more capacity for over-the-counter hedging opportunities for smaller retailers to participate in the hedge market which in turn will encourage retailers to provide retail solutions in the Far North and Northland.

Further retail competition benefits will arise by the granting of the exemption. In 2022, as shown on the MBIE Quarterly survey of electricity prices for that time, TEL reduced its distribution charges by 9% but retailers did not pass that reduction on to consumers thereby increasing their retail margins.

With the increased generation, existing and new retailers will have the opportunity to hedge and attract new customers by offering reduced prices which reflect a smaller margin.

- b) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote reliability of supply for the long-term benefit of consumers?*

Increasing adverse event risks for the transmission of electricity have been highlighted by the recent consequences of Cyclone Gabrielle.

It cannot be denied that the extreme weather conditions recently in Northland, Auckland, Hawke's Bay and Gisborne illustrate the risks to reliability and security of supply. Given the consequences of the cyclone for the Hawke's Bay substation, it is clear that reducing the exposure of consumers in the Far North and the wider Northland region to ongoing transmission risks as a high priority. With the availability of the existing capacity and new capacity from Ngawha, there is a natural reliability and security of supply response to failures at the national grid level south of Auckland. With the existing generation, NGL supplies 125% of the Far North consumption and exports out of the area 95% of the time. With the new capacity, this will mean that 100% of the time generation will be exported into the wider Northland region providing wider benefits. The granting of the amendment specifically addresses this risk and creates these benefits.

Significantly, it addresses it without the need for any capital expenditure or tying up valuable resources (financial, human and other supply chain considerations) and as a consequence, the exemption will avoid considerable costs having to be incurred.

Avoided costs including the costs of degradation of supply and interruptions, is clearly of long-term benefit of consumers.

TEL believes that the proven reliability of the Ngawha generation, including the new capacity, allows the Authority to be satisfied that compliance with arm's-length rules 9 and 10 is not necessary for achieving the Authority's objective but more particularly exempting it will better achieve the authority's statutory objectives than requiring compliance.

This is the case, without even considering the risks to failure of supply as a result of the failure of the HVDC link (the exemption will reduce reliance on this link such that costs which might otherwise be required to be expended can be avoided) and the consequences of storage lake water shortages (the exemption will be relevant when considering the costs of further hydro storage development in the South Island).

- c) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote efficiency for the long-term benefit of consumers?*

As has been noted, there are considerable benefits from an efficiency perspective for NGL to be managed by shared management. As has previously been accepted by the Authority, there are no adverse competition effects which arise from the existing exemption or an increase to the generation capacity limit on which the exemption would be based. The capacity is baseload and the incentive is for the NGL generation to be run as much as possible.

There are no transactional costs associated with the increase in capacity. The current management are experienced successful managers and NGL is operated on a very efficient basis, including meeting all the regulatory obligations being a current market participant.

Also, by not in effect requiring expenditure on grid connection assets, transmission cost increases will be avoided. This is particularly so in the context of grid upgrades south of Auckland.

- d) *If applicable to your application, please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers?*

This new aspect of the Authority's statutory objective is significant in the context of the exemption sought.

As has been identified, by granting the exemption, the Authority would be protecting the interests of domestic and small business consumers in the Far North. There are two large commercial customers in the TEL network area, and most of TEL's consumers are domestic and small business consumers.

By granting the exemptions, the Authority is protecting those consumers from indirectly paying for additional transmission cost increases from inefficient transmission investment through reduced generation cashflows and dividends – which ultimately reduces consumer energy costs in the Far North.

In this respect, compliance with arm's-length rules 9 and 10 is not necessary for the purpose of the authority achieving its statutory objective of protecting domestic and small business consumers. Further, exempting TEL from the requirements of the arm's-length

rules 9 and 10 will clearly better achieve the Authority statutory objective in the context of protecting the interests of domestic and small business consumers.

---

**Q 7 In your opinion, should the exemption be granted with terms or conditions? In your opinion, what terms or conditions would reasonably be considered necessary?**

TEL considers that the existing conditions on which the exemption was granted in EA 003 to be appropriate to be continued if the amendment sought is granted.

This would mean the exemption would apply in respect of 125MW generation capacity, be granted on the same terms and conditions and be granted for the period for which NGL has rights to extract geothermal fluid from the Ngawha Springs geothermal resource.

As was noted in previous applications to the Authority in respect of EA 003, when the capacity of the Ngawha generation was increased, the number of retailers operating in the Far North local retail market increased from 2 to 13. There is no reason to suggest that with further increases in generation, this number would not further increase, noting that there are currently 23 retailers in the Far North.

---

**Q 8 Are there any previous similar exemptions?**

*Identify any previous exemptions you have been granted, or that you are aware have been granted to other participants, that are similar to the exemption you seek, and which may provide a guide to how your application could be considered. State how the other exemptions are similar to, and different from, the exemption you are seeking.*

No similar exemptions have previously been granted by the Authority. TEL is the only participant which is exempted from compliance with arm's-length rules 9 and 10.

---

**Q 9 What impact will granting the exemption have on the overall scheme of the Code?**

*Explain what impact, in your opinion, the granting of the exemption will have on your, and other participants', ability to comply with other provisions of the Code.*

The granting of the amendment to the existing exemption will have no impact on the overall scheme of the Code.

---

**Q 10 What effects will there be on other participants?**

*Describe who may be affected by the granting of the exemption and how they might be affected, including market operation service providers, and any costs and benefits to them (for example, whether there will be any financial or commercial effect on other participants or, if this exemption was granted to another participant, the effect it would have on you).*

Granting of the exemption will have no effects on other participants.

---

**Q 11 How long do you need the exemption for?**

*Bearing in mind that an exemption is intended to be an interim measure until a permanent solution is implemented, specify how long you are seeking the exemption for. Additionally, please include details if there is a specific event (such as a substation upgrade, or the customer switches to another trader etc) that may mean that the exemption could end sooner. Give reasons for the period that you specify.*

The exemption is required for the length of time that NGL holds resource consents to extract geothermal fluid from the Ngawha Springs geothermal resource to operate the generation plants at Ngawha.