Code review programme #5 and TPM minor amendment

Decision paper

30 January 2024

ELECTRICITY AUTHORITY
TE MANA HIKO

1. Table of Contents

1. Table of Contents 2
2. Purpose 3
3. Submissions on CRP5 5
4. The CRP5 amendments promote our statutory objectives and are consistent with regulatory requirements 6
5. How the amended Code wording is displayed in this decision paper 7
6. CRP5-001 Definitions of business day and national holiday 8
7. CRP5-002 Automatic removal of profiles failing audit 10
8. CRP5-003 Statistical recertification validity period for electronic meters 12
9. CRP5-004 Clearing manager divergence report 16
10. CRP5-005 Mechanism for publishing invoices by the clearing manager 18
11. CRP5-006 Provision of information to the clearing manager 23
12. CRP5-007 Definitions of ‘at risk HVDC transfer’ and ‘configuration’ 25
13. CRP5-008 When assumption of rights and obligations take effect 31
14. CRP5-009 Prohibiting ICPs being connected in series 33
15. CRP5-010 Definition of ‘reconciliation participant’ 35
16. CRP5-011 Definitions of ‘embedded network’ and ‘electrical installation’ 43
17. CRP5-012 Retention of metering records 46
18. CRP5-013 Retention of ATH records 49
19. CRP5-014 Final interrogation of modified or temporarily removed metering installations 52
20. CRP5-015 Limiting ability to remove an ICP from shared unmetered load 54
21. CRP5-016 Timeframes to update registry when dependent on metering equipment provider updates 57
22. CRP5-017 Disbursement of interest from the clearing manager's bank accounts 60
23. CRP5-018 Ensuring audit obligations remain in effect 64
24. CRP5-019 Clarifying two clauses in the Part 8 technical codes 66
25. CRP5-020 Revised timeframe for distributors to change chargeable capacity and installation information in the registry records 68
26. CRP5-021 Clarifications to hedge settlement agreements 70
27. CRP5-022 Part 6A dispensation scheme for specified persons 76
28. CRP5-023 Change to the date default transmission agreement schedules take effect 81

29. More flexibility in the calculation of regional net private benefit in the transmission pricing methodology 85

30. Techncial and non-controversial amendments 87

2. Purpose

2.1. The Electricity Authority Te Mana Hiko (Authority) has decided to amend several areas of the Electricity Industry Participation Code 2010 (Code).

Code review programme number 5

2.2. On 29 August 2023, we published a consultation paper: *Code Review Programme number 5* (consultation paper). We consulted on a set of 23 proposals to amend the Code.

2.3. Ordinarily, Code change proposals have a single theme. The code review programme allows the Authority to make several independent and relatively small amendments with different themes, all at once. The Authority considers that this approach allows it to use its resources efficiently, and that the Code benefits from regular improvements.

2.4. Code review programme number 5 (CRP5) also included a proposal to make permanent the urgent Code amendment made in August 2023 to introduce a dispensation scheme for specified persons who are subject to obligations in Part 6A of the Code (CRP5-022). This proposal is more substantive than the other, relatively small amendments made in the remainder of CRP5, as it makes permanent a new clause containing a type of action the Authority can take in respect of a specified person.

2.5. In addition to the 23 Code amendment proposals, the consultation paper also included a proposal to correct minor typographical and other errors in the Code. These errors include outdated cross-references, incorrect headings, incorrectly bolded terms, and other minor drafting errors.

2.6. This paper sets out the Authority's decision to amend the Code and gives reasons for that decision.

2.7. Decisions on the 23 Code amendment proposals are set out in this paper each with a unique reference number. Each proposal is discrete from the others. The decision paper format supports participants to identify and understand the changes made.

2.8. Showing the changes separately allows participants to assess how each amendment will affect their Code obligations. In this case, all except one of the proposals are proceeding, some in an amended version from what was proposed in the consultation paper to improve clarity and to respond to submitter feedback.

2.9. This paper also includes the Authority's decision to correct minor typographical and other errors in the Code. These amendments are considered technical and non-controversial under section 39(3)(a) of the Electricity Industry Act 2010 (Act). The Authority has decided to make all but one of these proposed amendments and has

made some further minor changes and additions to improve clarity and to respond to submitter feedback.

2.10. More information about the code review programme, including the consultation paper, is available on our website at: https://www.ea.govt.nz/projects/all/code-review-programme/

2.11. The 23 Code amendments will come into force on **1 March 2024** and are:

Table 1: List of amendments proceeding

Reference number	Topic	Page
CRP5-001	Definitions of business day and national holiday	8
CRP5-002	Automatic removal of profiles failing audit	10
CRP5-003	Statistical recertification validity period for electronic meters	12
CRP5-004	Clearing manager divergence report	16
CRP5-005	Mechanism for publishing invoices by the clearing manager	18
CRP5-006	Provision of information to the clearing manager	23
CRP5-007	Definitions of 'at risk HVDC transfer' and 'configuration'	25
CRP5-008	When assumption of rights and obligations take effect	31
CRP5-009	Prohibiting ICPs being connected in series	33
CRP5-010	Definition of 'reconciliation participant'	35
CRP5-011	Definitions of 'embedded network' and 'electrical installation'	43
CRP5-012	Retention of metering records	46
CRP5-013	Retention of ATH records	49
CRP5-015	Limiting the ability to remove an ICP from shared unmetered load	54
CRP5-016	Timeframes to update the registry when dependent on metering equipment provider updates	57
CRP5-017	Disbursement of interest from the clearing manager's operating accounts	60
CRP5-018	Ensuring audit obligations remain in effect	64
CRP5-019	Clarifying two clauses in the Part 8 technical codes	66
CRP5-020	Revised timeframe for distributors to change chargeable capacity and installation information in the registry records	68
CRP5-021	Clarifications to hedge settlement agreements	70
CRP5-022	Part 6A dispensation scheme for specified persons	76
CRP5-023	Change to the date default transmission agreement schedules take effect	81
N/A	More flexibility in the calculation of regional net private benefit in the TPM (see paragraph 2.12 below)	85

Table 2 List of amendments not proceeding

Reference number	Topic	Reason	Page
CRP5-014	Final interrogation of modified or temporarily removed metering installations	Withdrawn	52

Additional amendment to correct an issue in the TPM

2.12. This CRP5 decision paper includes the decision on a proposed amendment to correct an issue with the transmission pricing methodology (TPM). This decision is discussed under section 28 of this paper, which has the title: "More flexibility in the calculation of regional net private benefit in the transmission pricing methodology".

2.13. Our decision is to implement the change as per our proposed solution for 'Issue 5: More flexibility in the calculation of regional net private benefit'.[1]

2.14. The Authority consulted on this issue on 17 May 2023 for a two-week period. We received one submission from the Independent Electricity Generators Association (IEGA) asking for more time to consider this issue.

2.15. The Authority responded to this request and extended the consultation period for the proposed amendment to 27 June 2023[2] and published supplementary information[3] on the issue. We did not receive any submissions on this issue during the extended consultation period and in the interests of efficiency and time, we have included the decision to implement the TPM amendment as part of this CRP5 decision paper.

3. Submissions on CRP5

3.1. We received submissions on our CRP5 consultation paper from the 11 parties listed in in Table 2 below.[4] Submissions are available on our website at: https://www.ea.govt.nz/projects/all/code-review-programme/consultation/code-review-programme-5/

3.2. Issues raised by submitters are discussed in the section for the relevant proposal.

Table 2: List of submitters

Submitter	Role	Proposal(s) addressed
Contact Energy	Generator and Retailer	015, 016, 021

1 Refer to: https://www.ea.govt.nz/documents/3026/Consultation_paper-Amendments_to_correct_issues_in_new_TPM.pdf

2 Refer to: https://www.ea.govt.nz/projects/all/tpm/consultation/amendments-to-correct-minor-tpm-issues/

3 Refer to: ea.govt.nz/documents/3261/Supplementary_information_issue_5.pdf

4 We also received three submissions that were out of scope of the Code review programme but related to the Consumer Care Guidelines project. These submissions were from Hanergy, Yes Power and a private individual. They were passed on to the Consumer Care Guidelines team.

Counties Energy	Distributor	014
Infratil	Shareholder of Generator and Retailer	022
Meridian Energy	Generator and Retailer	002, 010, 015, 016, 020
NZX (clearing manager)	Market operations service provider	005, 017
Orion	Distributor	011, 018
Powerco	Distributor	009, 015, 016, 020
Vector Metering	Metering equipment provider	001, 002, 003, 012, 013, 014, 015, 016, 018,
Transpower	Grid owner	003, 007, 011, 013, TNC-38, TNC-54
Intellihub & Energy Data Limited	Metering equipment provider	001, 003, 008, 009, 010, 011, 012, 013, 014, 016, 018
Genesis Energy	Generator and Retailer	022

4. The CRP5 amendments promote our statutory objectives and are consistent with regulatory requirements

4.1. The Authority's main statutory objective is to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. The Authority's additional objective is to protect the interests of domestic and small business consumers in relation to the supply of electricity to those consumers. The additional objective applies only to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

The amendments either promote, or have no effect on the Authority's statutory objectives

4.2. After considering all submissions on the Code amendment proposals, the Authority considers the final Code amendments will deliver long-term benefits to consumers consistent with the Authority's main objective. The Authority's additional objective does not apply because the proposals do not relate to the dealings of industry participants with domestic consumers and small business consumers.

The benefits of the proposals are greater than the costs

4.3. The Authority has assessed the economic benefits and costs of the amendments, and each of them delivers a net economic benefit.

4.4. Each proposal in the consultation paper describes the costs and benefits of the proposal in more detail. Additional considerations arising from submissions are set out in the proposals below (as needed).

4.5. The primary economic benefit in most cases is a reduction in transaction costs across the electricity industry, which is a productive efficiency benefit. Having said this, some of the proposals explicitly promote the competition and reliability limbs of the Authority's main objective and/or the Authority's additional objective. In addition, by improving the clarity and operation of the Code, the proposed amendments could also deliver dynamic efficiency benefits.

4.6. The Authority notes a clear, predictable and up-to-date set of industry rules is good regulatory practice and can facilitate increased participation in the electricity markets. This in turn might be expected to facilitate all three limbs of the Authority's statutory objective and provide both static and dynamic efficiency benefits to the economy.

The amendments are consistent with regulatory requirements

4.7. The Code amendments are consistent with the requirements of section 32(1) of the Act.

4.8. The amendments are also consistent with the Authority's Code amendment principles: they are lawful and will improve the reliability and efficiency of the electricity industry for the long-term benefit of consumers.

5. How the amended Code wording is displayed in this decision paper

5.1. Code amendments in relation to CRP5 in this decision paper are displayed as:

(a) added text or formatting is underlined

(b) deleted text is ~~strikethrough~~

(c) additional added text or formatting compared to our consultation paper are red underlined

(d) additional deleted text compared to our consultation paper is ~~red strikethrough~~.

6. CRP5-001 Definitions of business day and national holiday

The Authority's proposal

6.1. The Authority proposed to amend the definition of:

(a) "national holiday" in clause 1.1 of Part 1 to include Te Rā Aro ki a Matariki/Matariki Observance Day

(b) "national holiday" in clause 1.1 of Part 1 to replace the words "Queen's Birthday" with the wording used in the Public Holidays Act of "the birthday of the reigning Sovereign (observed on the first Monday in June)"

(c) "business day" in clause 1.1 of Part 1 to exclude Wellington Anniversary Day.

We have decided to implement the proposal without change

6.2. We have decided to amend the Code as proposed above.

6.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

6.4. There were two submissions on this proposal.

6.5. Both submissions supported the proposal and there were no comments.

The amendment will promote the efficient operation of the electricity industry

6.6. The Code amendment is consistent with the Authority's statutory objectives, and sections 32(1)(c) and 32(1)(e) of the Act, because it would contribute to the efficient operation of the electricity industry and the performance by the Authority of its functions.

6.7. The Code amendment will improve the efficient operation of the electricity industry, and the performance of the Authority's functions, by reducing the internal resources needed each year to process and publish declarations of non-business days, provide certainty to the industry about the treatment of Wellington Anniversary Day and Matariki Observance Day, and reduce industry costs of processing declarations. Further, if for some reason the declarations weren't published, those days would be treated as ordinary working days, which would create a number of problems.

6.8. The reason for including Wellington Anniversary Day as a non-business day is because the clearing manager, reconciliation manager, system operator and the Authority are all Wellington-based and operate services that affect all participants. If Wellington Anniversary Day was a business day, there would need to be staff working to ensure Code required deadlines can be met, including managing prudential cash deposits and refunds. The same constraints do not apply on other provincial anniversary days, and individual participants need to factor that in when discharging their obligations if they fall due on one of those days.

6.9. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

…

business day means,—

(a) for the purposes of Part 6, any day of the week other than Saturday, Sunday, or a public holiday within the meaning of the Holidays Act 2003; and

(b) for the rest of the Code, any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

…

national holiday means any day on which any of the following are observed as a statutory holiday:

(a) Good Friday:

(b) Easter Monday:

(c) ANZAC Day:

(d) the birthday of the reigning Sovereign (observed on the first Monday in June) ~~Queens Birthday~~:

(da) Te Rā Aro ki a Matariki/Matariki Observance Day:

(e) Labour Day:

(f) Christmas Day:

(g) Boxing Day:

(h) New Year's Day:

(i) the day after New Year's Day:

(j) Waitangi Day

…

7. CRP5-002 Automatic removal of profiles failing audit

The Authority's proposal

7.1. The Authority proposed to amend the Code to provide for profiles which fail an audit to remain on the list of approved profiles if the reconciliation participant, auditor and Authority agree to corrective action and that corrective action is completed within a reasonable time. Any corrections to the resulting reconciliation volumes will be washed up by the reconciliation manager in the next washup cycle.

We have decided to implement the proposal without change

7.2. We have decided to amend the Code as proposed above.

7.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

7.4. There were two submissions on this proposal.

7.5. Both submissions supported the proposal and there was one comment.

Submitter's view

7.6. One submitter commented the term "fails an audit" lacked clarity, as the reality is that failing an audit means the profile was not being used in accordance with its terms and is therefore an alleged non-compliance with the Code.

Authority's response

7.7. The Authority notes the term "fails an audit" is used in the original Code wording and was not a proposed amendment. The phrase "fails an audit" is in common use in many industries, especially where quality management systems are in use. The electricity industry is very familiar with audit regimes (both the participant audit regime under Part 16A, and the profile audit regime under Schedule 15.5) and understand that "failing an audit" also means this may be a non-compliance with the Code. When a participant is undergoing an audit, the auditor works closely with the participant and explains the implications of their findings, especially for new participants. For these reasons the Authority does not consider any changes to its proposal are necessary or desirable.

The amendment will promote the efficient operation of the electricity industry

7.8. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.

7.9. The use of profiles improves the accuracy of the reconciliation process. The amendment will improve the efficient operation of the electricity industry by allowing participants time to correct minor issues with the application of audit profiles and continue to use the profiles while doing so. Any inaccuracies introduced during this period can be corrected in the next available reconciliation washup. If the parties cannot agree, then the washup process can be used to correct non-compliant

reconciliation submissions, including any introduced during the time after the audit was completed.

7.10. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 15.5

37 Removal of profiles

(1) If ~~The~~ **~~Authority~~** ~~must~~ ~~immediately remove~~ a **profile** ~~that~~ fails an **audit**, the **Authority** must remove the **profile** from the list of approved **profiles** held by the **Authority** unless—

(a) either—

(i) in the case of an **audit** performed by the **Authority**, the **participant** and the **Authority** agree corrective actions no later than 5 **business days** after the date the **audit** is completed; or

(ii) in the case of an **audit** performed by the **Authority's** appointed **audit** agent, the **participant**, the **Authority**, and the **audit** agent agree corrective actions no later than 5 **business days** after the date the **audit** is submitted to the **Authority**; and

(b) the **Authority** is satisfied that the agreed corrective actions have been performed no later than 3 months after the date the **audit** was completed.

(1A) Despite subclause (1), the **Authority** must immediately remove a **profile** that fails an **audit** if the **participant** advises the **Authority** that the **participant** will not agree to or perform the corrective actions.

…

8. CRP5-003 Statistical recertification validity period for electronic meters

The Authority's proposal

8.1. The Authority identified two issues with the recertification by statistical sampling regime in clause 16 of Schedule 10.7 and proposed to:

(a) allow the longer maximum certification validity period of 7 years to apply for meter class 1.0 meters installed in a category 1 metering installation, subject to the sample complying with the relevant accuracy tolerance of ±1.5%

(b) update the AS/NZS standard reference to refer to the correct standard.

8.2. The proposal discussed in paragraph 8.1(b) is a technical and non-controversial change but is included here (rather than in the technical and non-controversial section) for completeness.

We have decided to implement the proposal without change

8.3. We have decided to amend the Code as proposed above.

8.4. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

8.5. There were three submissions on this proposal.

8.6. Two submissions supported both proposals and there was one comment.

8.7. One submitter did not support proposal 1 (discussed in paragraph 8.1(a)) with comments.

Submitter's view

8.8. One submitter suggested the Code doesn't need to refer to 'meter class' and should just refer to any meters suitable for use in category 1 metering installations.

Authority response

8.9. The referenced Standard (AS/NZS1284.13) uses the meter accuracy class to determine the maximum validity period (Table 5). The current recertification regime is based on AS/NZS12874.13 to provide the statistical sampling processes needed in lieu of providing these requirements in the Code. To change the structure of the regime to use metering installation category rather than meter class is beyond the scope of this proposal. A fuller review of the recertification by statistical sampling regime would be substantial and require a separate project.

8.10. Additionally, as far as the Authority is aware, there are very few, if any, meters of an accuracy class higher than class 1.0 installed in category 1 metering installations. For any such meters it is likely full recertification is more efficient than a statistical sampling process.

8.11. For these reasons the Authority does not consider any changes to its proposal are necessary or desirable.

Submitter's view

8.12. One submitter does not support the proposal to allow a longer maximum certification validity period of 7 years because they believe the proposal is not consistent with the AS/NZS Standard.

Authority response

8.13. The Authority notes its reasons for the proposal are discussed in the consultation paper. It has also sought advice from a metering expert, Ronald Beatty of BTnrg Consulting. Mr Beatty is a Registered Engineering Associate (NZCE (Electrical) NZCE (Mechanical) REA (Electrical)), has extensive experience in electricity metering, and was the Principal Advisor at the Electricity Authority, leading the project that introduced the recertification by statistical sampling regime in 2013. Mr Beatty's advice is:

I agree with the proposed Code amendment as it clarifies what the original intention of Part 10 was, that is, accuracy is determined by the capacity of the metering installation, and not the Class.

However it is notable that [the submitter], in its submission on the proposed amendment to Clause 16 of Schedule 10.7, noted "However, should it be the Standard that should be amended to reflect any change in meter accuracies and stability? Otherwise, the Authority has just applied a longer period to sample the class 1 meters, and this is not consistent with the Standard."

My opinion is that

I. *AS/NZS1284.13:2002 is a joint AS/NZS standard. However, in the 2016 reconfirmation of the Standard, there was no New Zealand representation. It is unlikely that New Zealand could successfully negotiate a change. However New Zealand could recommend a change, but that could take some time to action if it ever was ever to be actioned, and is therefore likely to be impractical*
II. *Applying the recertification period as stated in AS/NZS1284 will discourage the use and benefit of using meters with higher accuracy*
III. *Amending the recertification time period to apply to suit jurisdictional requirements, as the Code is doing, has been internationally acceptable*
IV. *Most meters are built with an expected life in the order of 25 years or more under adverse environments. Provided the meters are not subject to operation outside of their design, the operational life should exceed that 25 year period. As a result statistical sampling should provide evidence for compliance with the accuracy requirements of the Code*
V. *The Code amendment should be proceeded with.*

History of Statistical sampling certification in the Rules

Part 10 of the Code was written during the period 2010 to 2013. At that time, category 1[1] metering installations included Class 2 meters which were electromechanical or electronic. However, as metering technology has evolved, electronic meters have improved in accuracy and it is now usual for modern electronic meters to be class 1.0.

The Code amendment proposal correctly sets out that Clause 16 of Schedule 10.7 of the Code provides for recertification of category 1 metering installations by statistical sampling and laboratory testing of a sample of meters from a population of meters. The intent of the sampling process is to provide evidence that on average, the meters in a population, are accurate. Statical sampling has always [existed] in the Rules as a form of recertification of existing metering installations.

1) *Under Maria COP3 (from 1 April 1999 to 29 February 2004), recertification by statistical sampling enabled a maximum certification period of 25 years for a metering installation using appropriate statistical sampling, refer to Maria Clause 6 of COP3, second to last paragraph (copy of MARIA COP3 attached). As the original certification for a Cat 1 installation was 15 years, statistical sampling extended the metering installation certification validity by 10 years*
2) *Under the Electricity Governance Rules 2004 (1 March 2004 to 31 October 2010, which replaced MARIA), AS/NZS1284 was adopted as a sampling process (refer to Clauses 5.2, 5.3 and 6.6 of Part D).*
3) *The Electricity Industry Participation Code 2010 (1 November 2010 to current time) also adopted AS1284 was adopted as a sampling process*
4) *Internationally, stat sampling period's recertification periods appear to vary from between 5 years and 10 years.*

[1] Category 1 metering installations are typically mass market, direct connected meters, with a maximum capacity of 100 amps and may be 1 phase or 3 phase.

8.14. The Authority accepts Mr Beatty's opinion and for these reasons the Authority does not consider any changes to its proposal are necessary or desirable.

The amendment will promote the efficient operation of the electricity industry

8.15. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

8.16. The Code amendment for problem 1 will improve the efficient operation of the electricity industry by reducing the costs of recertifying category 1 metering installations containing electronic meter(s). Over 97% of all metering installations are category 1 and over 90% of these contain electronic meters. The amendment would also remove confusion in the industry.

8.17. The Code amendment for problem 2 corrects an incorrect reference, reducing the costs for participants to determine the correct referenced Standard.

8.18. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 10.7

…

16 Recertification of group of category 1 metering installations by statistical sampling

(1) A **metering equipment provider** may arrange for an **ATH** to **recertify** a group of **category 1 metering installations** for which the **metering equipment provider** is responsible using a statistical sampling process set out in subclause (2).

(2) To **recertify** a group of **category 1 metering installations**, an **ATH** must—

(a) select a sample from the group, using a statistical sampling process—

(i) prescribed in AS/NZS 1284.13:2002; or

(ii) that is approved and **published** by the **Authority**; and

(aa) use the pass/fail criteria in AS/NZS 1284.13:2002 to evaluate whether the group meets the **recertification** requirements of this Part; and

(ab) if the group meets the **recertification** requirements of this Part use the appropriate maximum validity period set out in Table 5 of AS/NZS 1284.13:2002 as the **certification** validity period for each **metering installation** in the group, except that if a class 1 static (electronic) **meter** sample is within the accuracy tolerance of ± 1.5%, the appropriate maximum validity period for that group is 7 years; and

(b) **recertify** each **metering component** in the **metering installation** in the sample using—

(i) the **fully calibrated certification** method; or

(ii) the **selected component certification** method; and

(c) advise the **metering equipment provider** as soon as reasonably practicable, if the group—

(i) meets the **recertification** requirements of this Part; or

(ii) fails to meet the **recertification** requirements of this Part.

…

9. CRP5-004 Clearing manager divergence report

The Authority's proposal

9.1. The Authority proposed to revoke clause 14.68 of the Code to remove the requirement for the clearing manager to provide monthly divergence reports to the Authority.

We have decided to implement the proposal without change

9.2. We have decided to amend the Code as proposed above.

9.3. There were no submissions on the proposal.

9.4. The Code amendment will come into force on 1 March 2024.

The amendment will promote the efficient operation of the electricity industry

9.5. The Code amendment is consistent with the Authority's statutory objectives, and sections 32(1)(c) and 32(1)(e) of the Act, because it will contribute to the efficient operation of the electricity industry and the performance by the Authority of its functions.

9.6. The amendment will improve the efficient operation of the electricity industry, and the performance by the Authority of its functions, by:

(a) eliminating the clearing manager's need to produce duplicate reports

(b) eliminating the Authority's need to manage and store duplicate reports.

9.7. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

14.68 ~~Monthly divergence reports to be prepared by clearing manager~~ *[Revoked]*

~~(1) The **clearing manager** must report to the **Authority** in writing under this clause.~~

~~(2) The **clearing manager** must give the report to the **Authority**—~~

~~(a) on the 10th **business day** of each calendar month; or~~

~~(b) if exceptional circumstances prevent the **clearing manager** from providing the report by that day, as soon as reasonably practicable after that day.~~

~~(3) The report must include—~~

~~(a) *[Revoked]*~~

~~(b) *[Revoked]*~~

~~(c) *[Revoked]*~~

~~(d) *[Revoked]*~~

~~(e) situations in which information about an amount owing was or will be issued late and whether or not the delay was caused by the **clearing manager**; and~~

~~(f) **if there is a delay in the** clearing manager **advising a participant** of an amount owing under clause 14.18, the part of the process that was delayed**.**~~

10. CRP5-005 Mechanism for publishing invoices by the clearing manager

The Authority's proposal

10.1. The Authority identified four separate but related problems with the Code mechanisms for publishing invoices by the clearing manager and proposed to:

(a) amend clauses 13.199, 13.208, 13.211, 14.23, 14.71, 14.72 and 14.75 to replace references to WITS and the WITS manager with references to the clearing manager providing information through the clearing manager's external system

(b) revoke clause 14.24 to remove the requirement for participants to acknowlege, through WITS, receipt of information from the clearing manager under subpart 4 of Part 14 of the Code and for the clearing manager to follow up participants that do not confirm receipt

(c) amend clauses 13.23 and 13.211 to remove the requirement to consult on backup procedures, and replace the requirement to consult with the Authority with a requirement to agree backup procedures with the Authority

(d) revoke clause 14.23(1)(b) to remove the requirement to post or hand deliver information to the participant

(e) amend clause 14.23(1)(aa) to clarify that the clearing manager is only required to publish aggregated information.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

10.2. We have decided to amend the Code as proposed above with minor changes to the Code drafting for the proposals discussed at paragraphs 10.1(a) and 10.1(c). The first change clarifies the reference in clause 14.72 is to the clearing manager's external system. The second change to clauses 13.23 and 13.211 acknowledges that the clearing manager's service provider agreement does not specify the detail of the backup procedures. The service provider agreement requires the clearing manager and Authority to agree the detailed procedures and publish them on the Authority's website.

10.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

10.4. Two submissions supported this proposal and had comments.

Submitter's view – agreed backup procedures

10.5. The clearing manager noted the clearing manager's service provider agreement does not contain the detail of the agreed backup procedures. The service provider agreement requires the clearing manager and Authority to agree the detailed procedures and publish them on the Authority's website.

Authority response

10.6. The Authority agrees with the clearing manager. The Code needs to refer to the agreed backup procedures and provide for these to be published.

Submitter's view – terminology

10.7. One submitter noted the term "clearing manager's external system" was vague and suggested just using the already defined term "publish" as this refers to the Approved Systems Definition Document

Authority response

10.8. The definition of "publish" in the Code, in respect of information a participant is required to publish, requires the information to be made available to the public at no cost on the participant's [clearing manager's] website. The term "publish" does not refer to the Approved Systems Document.

10.9. Invoicing information is commercially sensitive and should not be publicly available, so using the defined term "publish" is not appropriate. For this reason, the Authority considers reference to an "external system" to be more appropriate as the information will be available to participants that require it without making the information available to the public. Therefore, the Authority has decided not to change the wording of the Code amendment contained in the consultation paper.

The amendment will promote the efficient operation of the electricity industry

10.10. The proposed Code amendment is consistent with the Authority's statutory objectives, and sections 32(1)(c) and 32(1)(e) of the Act, because it would contribute to the efficient operation of the electricity industry and the performance of the Authority's functions.

10.11. The proposed amendment would improve the efficient operation of the electricity industry, and the performance by the Authority of its functions by:

(a) ensuring the Code is aligned with current agreed procedures and existing practice and is fit for purpose

(b) eliminating consideration of alleged Code breaches for matters the Authority is unlikely to investigate.

10.12. The proposed Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity.

Final amendment

13.23 Backup procedures if WITS is unavailable

(1) If **WITS** is unavailable to receive **bids** or **offers** or to confirm the receipt of **bids** or **offers**, each **purchaser** and **generator** or the **system operator**, as the case may be, must follow the backup procedures ~~specified in the **market operation service provider agreement**~~ agreed between ~~by~~ the **WITS manager** and the **Authority** and **published** by the **Authority** ~~from time to time~~.

(2) ~~The backup procedures referred to in subclause (1) must be specified by the WITS manager following consultation with the **Authority** and each **purchaser, generator** and the **system operator**.~~*[Revoked]*

…

13.199 Clearing manager to make details of constrained off amounts available

The **clearing manager** must, at the time specified in clause 13.197, **publish** ~~make~~ the details of **constrained off amounts** ~~available on **WITS**~~ for each **generator** and each **dispatched purchaser** for the previous **billing period** as follows:

…

13.208 Clearing manager to make details of constrained on amounts available

The **clearing manager** must, at the time specified in clause 13.206, **publish** ~~make~~ the details of **constrained on amounts** ~~available on **WITS**~~ in relation to each **generator**, **ancillary service agent**, and **dispatched purchaser** for the previous **billing period** calculated in accordance with clauses 13.204 and 13.205 as follows:

…

13.211 Backup procedures if the clearing manager's external system ~~WITS~~ is unavailable

(1) If the **clearing manger's** external system ~~**WITS**~~ is unavailable for the purposes of making information available under clauses 13.199 and 13.208, the **clearing manager** must follow ~~the~~ backup procedures ~~specified in the **market operation service provider agreement**~~ agreed between it and the **Authority** and **published** by the **Authority** ~~by the **WITS manager** from time to time~~.

(2) ~~The **WITS manager** must specify the backup procedures referred to in subclause (1) following consultation with the **Authority**, **generators**, **ancillary service agents**, and **purchasers**, and the **clearing manager**.~~*[Revoked]*

…

14.23 Procedure for advising participant of amounts owing and payable

(1) When advising a **participant** of amounts owing and payable under this subpart, the **clearing manager** must—

(a) submit the information to each relevant **participant** through the **clearing manager's** external system ~~**WITS**~~; and

(aa) **publish** ~~the~~ aggregated information within one month after each **billing period.**~~; and~~

(b) *[revoked]* ~~if the **participant** requests, post or hand deliver the information to the **participant**.~~

(2) Proof of making ~~submitting~~ the information available on the **clearing manager's** external system ~~to **WITS**~~ is deemed to be proof of the advice

under subclause (1)~~, despite the procedures set out in this clause and in clause 14.24~~.

…

14.24 *[Revoked]* ~~**Participant to confirm receipt**~~

~~(1) Each **participant** that receives information from the **clearing manager** under this subpart must immediately confirm, through **WITS**, receipt of the information sent by the **clearing manager** under clause 14.23(1)(a) or (b).~~

~~(2) If, by 1200 hours on the **business day** after submitting the information under clause 14.23(1), the **clearing manager** has not received confirmation from a **participant** that the **participant** has received the information, the **clearing manager** must check whether the **participant** has received the information.~~

~~(3) If the **participant** has not received the information, the **clearing manager** must resubmit the information through **WITS**.~~

~~(4) Delayed confirmation by a **participant** that the information has been received does not extend the payment period set out in clause 14.31~~

…

14.71 Clearing manager to make block dispatch settlement differences available

(1) By 0900 hours on the 2nd **business day** after the **clearing manager** has advised **participants** of amounts owing under clause 14.18, the **clearing manager** must **publish** ~~make~~ the following information ~~available for **participants** on **WITS**~~:

…

14.72 Clearing manager to make block dispatch settlement differences available later if ~~WITS~~ clearing manager's external system unavailable

(1) If the **clearing manager's** external system ~~**WITS**~~ is unavailable to make the information set out in clause 14.71 available, the **clearing manager** is not obliged to follow any backup procedures in respect of making the information available.

(2) The **clearing manager** must **publish** ~~make~~ the information ~~available on **WITS**~~ as soon as reasonably possible after its external system ~~**WITS**~~ becomes available.

…

14.75 Notices

(1) Except as expressly provided in this Code, a notice or demand given or required to be given under this Part may be given by being delivered or transmitted to the intended recipient at its address or electronic address as last advised in writing to the sender and may be posted to such address by prepaid post.

(2) Subject to subclause (3),—

(a) a notice or demand delivered by hand is deemed to be delivered on the date of such delivery; and

(b) a notice or demand delivered by post is deemed to be delivered on the 2nd **business day** following the date of posting; and

(c) a notice or demand ~~transmitted through the **WITS**~~ made available on the **clearing manager's** external system is deemed to be delivered on the date it was ~~transmitted~~ made available.

11. CRP5-006 Provision of information to the clearing manager

The Authority's proposal

11.1. The Authority identified two separate but related problems relating to the provision of information to the clearing manager and proposed to:

(a) add a new clause into Part 14 of the Code requiring clearing participants to provide information that is reasonably required by the clearing manager to carry out its role

(b) add an explicit default event into clause 14.41 for a participant that the clearing manager must cease doing business with under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act).

We have decided to implement the proposal with further minor changes

11.2. We have decided to amend the Code as proposed above with a minor change to the Code drafting for the proposal discussed in paragraph 11.1(a) (to use the term 'participant' rather than 'clearing participant') and with one further, minor change to the proposal discussed in paragraph 11.1(b).

11.3. There were no submissions on the proposal.

11.4. The Authority has become aware there is a gap in the proposed amendment discussed in paragraph 11.1(b) in that it only addresses the continuation of a business relationship with a participant which is prohibited under the AML/CFT Act, but not the establishment of such a relationship. A participant may have incurred financial obligations under the Code and not yet established a business relationship with the clearing manager.

11.5. This situation could occur for a new entrant retailer, where it has switched ICPs through the registry, but the clearing manager has not been able to complete its due diligence. This may be because incorrect or incomplete information has been supplied to the clearing manager for its due diligence, or incorrect information has been supplied to the Authority to approve access to the registry.

11.6. We have decided to make a minor, related change to the Code to address these situations. While this change was not included in the consultation paper, the Authority considers the nature of this change is technical and non-controversial under section 39(3)(a) of the Act. It is similar in nature to, and consistent with, this proposal.

11.7. The Code amendment will come into force on 1 March 2024.

The amendment will promote the efficient operation of the electricity industry

11.8. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

11.9. The amendment will improve the efficient operation of the electricity industry by reducing the resources required by the clearing manager to follow up participants

who do not provide information the clearing manager requires to fulfil its functions. It will also clarify that the clearing manager has an explicit remedy under the Code if they are prohibited from doing business with a participant under the AML/CFT Act.

11.10. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity.

Final amendment

14.1A Clearing manager may require additional information

(1) The **clearing manager** may require information from a ~~clearing~~ **participant** by notice to the ~~clearing~~ **participant** where the information is necessary for the purpose of the **clearing manager** carrying out its role in accordance with this Code.

(2) Information required under subclause (1) may include information that the **clearing manager** reasonably requires, in the course of carrying out its role in accordance with the Code, to comply with its obligations under legislation other than the Code.

(3) A **participant** who receives a notice under subclause (1) must, as soon as practicable, provide the information required in the notice to the **clearing manager**.

14.41 Definition of an event of default

(1) Each of the following events constitutes an **event of default**:

…

(i) if the **clearing manager** is prohibited from establishing or continuing a business relationship with a **participant** under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

12. CRP5-007 Definitions of ‘at risk HVDC transfer’ and ‘configuration’

The Authority’s proposal

12.1. The Authority identified three problems with the definitions of ‘at risk HVDC transfer’ and ‘configuration’ in clause 1.1 and proposed to:

(a) amend the definition of ‘at risk HVDC transfer’ to replace —

(i) in Table 1, the number ‘263’ with the number ‘325’

(i) in Table 2, the number ‘263’ with the number ‘308’

(b) amend the definitions of ‘at risk HVDC transfer’ and ‘configuration’ to remove references to Pole 1 and remove the definition of ‘$INJ_{Pole2HAYt}$’ from the definition of ‘at risk HVDC transfer’, which is no longer necessary because of the removal of Pole 1

(c) rename the defined term ‘configuration’ as ‘HVDC link configuration’ and make consequential amendments in clauses that use the term ‘configuration’ in the way in which it is defined, to replace these terms with the defined term ‘HVDC link configuration’.

We have decided to implement the proposal without change

12.2. We have decided to amend the Code as proposed above.

12.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority’s response

12.4. There was one submission on this proposal.

Submitter’s view

12.5. Transpower commented that when the HVDC is in ‘round power’ mode, the at risk transfer may be slightly higher than the net transfer.

12.6. Transpower noted this is a minor point and does not create a risk to market efficiency and did not propose any changes to the drafting.

Authority response

12.7. The Authority notes Transpower’s comments about the HVDC transfer when in round power mode, and also notes Transpower’s comment that this minor difference at low transfer rates does not create a risk to the market. The Authority considers this means the minor difference at these low transfer rates does not warrant a complex dynamic calculation to determine the ‘at risk HVDC transfer’ amount, so has decided to implement the proposal without change.

The amendment will promote the efficient operation of the electricity industry

12.8. The Code amendment is consistent with the Authority’s statutory objectives, and section 32(1)(c) of the Act, because it promotes the efficient operation of the electricity industry.

12.9. The Authority considers the amendment will promote the efficient operation of the electricity industry by ensuring the instantaneous reserve allocation formula in clause 8.59 of the Code correctly factors in the risk posed by a trip of Pole 3 of the HVDC link. This would result in a more accurate allocation of the costs of instantaneous reserves between Transpower, as the owner of the HVDC link, and generators with generating units greater than 60 MW.

12.10. The Authority considers the Code amendment would also promote the efficient operation of the electricity industry by making it easier for participants to understand and comply with their obligations.

12.11. The Code amendment is expected to have little or no effect on competition, the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

...

at risk HVDC transfer means the quantity of **MWh** for each **trading period** calculated in accordance with Tables 1 and 2, where—

$INJ_{HVDCHAYt}$ is the **electricity** injected from the **HVDC link** into the North Island **grid assets** at the North Island **HVDC injection point** in **trading period** t; and

$INJ_{HVDCBENt}$ is the **electricity** injected from the **HVDC link** into the South Island **grid assets** at the South Island **HVDC injection point** in **trading period** t~~; and~~

~~$INJ_{Pole2HAYt}$ is the **electricity** injected from Pole 2 of the **HVDC link** into the North Island **grid assets** at the North Island **HVDC injection point** in **trading period** t~~

Table 1: HVDC northward transfer – if **electricity** is injected at the North Island **HVDC injection point** in the relevant **trading period**

HVDC configuration at the beginning of trading period t	**At risk HVDC transfer north in trading period t (expressed in MWh)**
~~Pole 1 one half pole only~~	~~$INJ_{HVDCHAYt}$~~
Pole 2 only	$INJ_{HVDCHAYt}$
Pole 3 only	$INJ_{HVDCHAYt}$

~~Pole 2 and Pole 1 one half pole~~	~~$INJ_{Pole2HAYt}$~~
Pole 3 and Pole 2 bipole **round power**	$INJ_{HVDCHAYt}$
Pole 3 and Pole 2 bipole not **round power**	$\max(0,INJ_{HVDCHAYt} - 263 - 325)$

Table 2: HVDC southward transfer – if **electricity** is injected at the South Island **HVDC injection point** in the relevant **trading period**

HVDC configuration at the beginning of trading period t	**At risk HVDC transfer south in trading period t (expressed in MWh)**
Pole 2 only	$INJ_{HVDCBENt}$
Pole 3 only	$INJ_{HVDCBENt}$
Pole 3 and Pole 2 bipole **round power**	$INJ_{HVDCBENt}$
Pole 3 and Pole 2 bipole not **round power**	$\max(0,INJ_{HVDCBENt} - 263308)$

…

HVDC link configuration~~, in relation to the HVDC link,~~ means the following modes of operation of the **HVDC link**:

(a) ~~Pole 1 one half pole only~~:*[Revoked]*

(b) Pole 2 only:

(c) Pole 3 only:

(d) ~~Pole 2 and Pole 1 one half pole:~~*[Revoked]*

(e) Pole 3 and Pole 2 bipole **round power**:

(f) Pole 3 and Pole 2 bipole not **round power**

…

8.19 Contributions to frequency support in under-frequency events

…

(4) The **HVDC owner** must at all times ensure that, while **electrically connected**, its **assets** contribute to supporting frequency during an **under-frequency event** in either **island** by—

…

(d) subject to the level of transfer and the **HVDC link** **configuration** ~~configuration~~ at the beginning of the **under-frequency event**, if the **HVDC link** itself is not the cause of the **under-frequency event**, modifying the instantaneous transfer on the **HVDC link** by up to 250 **MW** with the objective of limiting the difference between the North Island and South Island frequencies to no greater than 0.2 Hertz.

…

12.107 Transpower to identify interconnection branches, and propose service measures and levels

…

(4) The information required under subclause (1) is—

…

(c) the transfer capacity in the North and South transfer for each ~~**configuration** of the~~ **HVDC link** **configuration** expressed as follows:

(i) DC sent in **MW**:

(ii) AC received in **MW**; and

…

12.112 Exceptions to clause 12.111

…

(1) **Transpower** is not required to comply with clause 12.111(1)(a) or (2) if—

…

(ea) in relation to the **HVDC link**—

…

(ii) the ~~**configuration** of the~~ **HVDC link** **configuration** is—

(A) Pole 3 and Pole 2 bipole **round power**; or

(B) Pole 3 and Pole 2 bipole not **round power**; or

…

13.30 Standing data on HVDC capability to be provided to system operator

(1) In addition to the **asset owner** obligations to provide information under clauses 2(5) and (6), and 3(1) of **Technical Code** A of Schedule 8.3, the **HVDC owner** must provide standing data on the capability of the **HVDC link** to the **system operator** consistent with ~~the **configuration** of~~ the **HVDC link** **configuration**.

…

(3) Subclause (2)(d) applies only if—

(a) the **HVDC owner** is operating the **HVDC link** in accordance with—

(i) a **commissioning** plan agreed with the **system operator** under clause 2(6) to (9) of **Technical Code** A of Schedule 8.3; or

(ii) a test plan provided to the **system operator** under clause 2(6) to (9) of **Technical Code** A of Schedule 8.3; and

(b) the ~~**configuration** of the~~ **HVDC link configuration** is—

(i) Pole 3 and Pole 2 bipole **round power**; or

(ii) Pole 3 and Pole 2 bipole not **round power**.

…

13.58A Inputs for price-responsive schedule and non-response schedule

(1) The **system operator** must prepare a **price-responsive schedule** using the following inputs:

(a) **offers** and **reserve offers**; and

(b) the potential output of all **intermittent generating stations**, determined using the most recent **forecast of generation potential** for each **intermittent generating station** submitted under clause 13.18A; and

(b) **nominated bids**; and

(c) the forecast prepared by the **system operator** under clause 13.7A(1); and

(d) **difference bids**; and

(e) information provided to the **system operator** by a **grid owner** under clauses 13.29 to 13.34 about—

(i) the AC transmission system configuration, capacity, and **losses**; and

(ii) the capability of the **HVDC link** including ~~its~~ the **HVDC link configuration**, the capacity of the **HVDC link**, the **losses** in the **HVDC link**, the direction of any transfer limit on the **HVDC link**, and any minimum or maximum transfer limits on the **HVDC link**; and

(iii) transformer configuration, capacity, and **losses**; and

…

(2) The **system operator** must prepare a **non-response schedule** using the following inputs:

…

(d) information provided to the **system operator** by a **grid owner** under clauses 13.29 to 13.34 referring to—

(i) the AC transmission system configuration, capacity, and **losses**; and

(ii) the capability of the **HVDC link** including ~~its~~ the **HVDC link configuration**, the capacity of the **HVDC link**, the **losses** in the **HVDC link**, the direction of any transfer limit on the **HVDC link**, and any minimum or maximum transfer limits on the **HVDC link**; and

(iii) transformer configuration, capacity, and **losses**; and

…

13.69B Inputs for dispatch schedule

(1) The **system operator** must use the following inputs to prepare a **dispatch schedule**:

…

(g) information from the **grid owner** (clauses 13.29 to 13.34) and revised information from the **grid owner** (clause 13.33) about—

(i) the AC transmission system configuration, capacity and **losses**; and

(ii) the capability of the **HVDC link** including ~~its~~ the **HVDC link configuration**, the capacity of the **HVDC link**, the **losses** in the **HVDC link**, the direction of any transfer limit on the **HVDC link**, and any minimum or maximum transfer limits on the **HVDC link**; and

(iii) transformer configuration, capacity, and **losses**:

…

13. CRP5-008 When assumption of rights and obligations take effect

The Authority's proposal

13.1. The Authority proposed to amend the Code to reduce the minimum period before a notice under Schedule 1.1 may take effect, subject to a provision for the Authority to specify a longer period should it consider that is necessary to process an application.

We have decided to implement the proposal without change

13.2. We have decided to amend the Code as proposed above.

13.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

13.4. There was one submission on this proposal.

13.5. The submission supported the proposal and there were no comments.

The amendment will promote the efficient operation of the electricity industry

13.6. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.

13.7. The amendment will improve the efficient operation of the electricity industry by ensuring the benefits to participants from aggregating their rights and obligations accrue as early as possible, while still giving the Authority adequate time to process an application.

13.8. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.5 Special definition of "purchaser" and "participant"

…

(2) A **participant** (participant A) may, by notice in the form set out in Schedule 1.1, give notice to the **Authority** that, from a date specified in the notice, participant A will assume all rights and obligations under Parts 8, 13, 14, and 14A of this Code of another **participant** named in the notice (participant B) in participant B's capacity as a **purchaser** and a **participant** that incurs financial obligations under this Code or owes an amount to the **clearing manager**.

(3) A notice given under subclause (2) takes effect from the first **trading period** on—

(a) the date specified in the notice~~. That date~~, which must be at least ~~3~~10 **business days** after the date that the notice is given to the **Authority**, or

(b) if the **Authority** reasonably considers additional time is required in any particular case, any later date specified by the **Authority** in a notice given to the **participant** (participant A) within 10 **business days** after the date the **Authority** receives the notice in subclause (2).

14. CRP5-009 Prohibiting ICPs being connected in series

The Authority's proposal

14.1. The Authority identified two problems with clause 3 of Schedule 11.1 and proposed to:

(a) amend the Code to prevent a distributor from connecting new ICPs (or creating new ICP identifiers) in series, subject to the existing exceptions in subclauses 3(a) and 3(b) of Schedule 11.1, which provide for ICPs which are required to be connected in series as part of their function

(b) amend the Code to clarify clause 3 of Schedule 11.1 applies to both new physical connections and newly created ICP identifiers.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

14.2. We have decided to amend the Code as proposed above with three minor changes to the Code drafting, to add "and" and "or" (as appropriate) for clarity in new clause 3(2), and to embolden 'distributor' in new clause 3(3) of Schedule 11.1.

14.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

14.4. There were two submissions on this proposal.

14.5. Both submissions supported the proposal and there was one comment.

Submitter's view

14.6. One submitter suggested the word "series" was confusing as it could also imply double metering, and suggested some alternative wording.

Authority response

14.7. In the consultation paper the Authority noted one of the potential issues of connecting ICPs in series is that consumption could be recorded twice (double metering).

14.8. The intention of the prohibition on connecting ICPs in series is to prevent both inadvertent disconnection of one ICP and potential double metering. The Authority considers its proposal as consulted on remains appropriate.

The amendment will promote the efficient operation of the electricity industry and reliable supply to consumers

14.9. The Code amendment is consistent with the Authority's statutory objectives, and with sections 32(1)(b) and (c) of the Act, because it would:

(a) contribute to the reliable supply of electricity to consumers, by ensuring an ICP is not connected in such a way it can be inadvertently disconnected by the disconnection of a different ICP

(b) improve the efficient operation of the electricity industry by clarifying the application of the clause to both physical connections and the creation of new ICP identifiers, and by reducing the need for investigation and remediation if a consumer is inadvertently disconnected or there is double metering.

14.10. The Code amendment is expected to have no effect on competition and does not relate to the dealings of participants with domestic consumers and small business consumers.[5]

Final amendment

Schedule 11.1

…

3 Electrically disconnecting

(1) Subject to subclause (2), a **distributor** must not create an ~~Each~~ **ICP identifier** or connect an **ICP** created after 7 October 2002 unless— ~~must~~

(a) the **ICP identifier** is for an **ICP** that can be ~~able to be~~ **electrically disconnected** without **electrically disconnecting** another **ICP**~~, except for the following **ICP**s~~; and

(b) the **ICP** can be **electrically disconnected** without **electrically disconnecting** another **ICP**.

(2) Subclause (1) does not apply if the **ICP** is—

(a) ~~an **ICP** that is~~ the **point of connection** between a **network** and an **embedded network**~~.~~; or

(b) an **ICP** that represents the consumption calculated by the difference between the total consumption for the **embedded network** and all other **ICPs** on the **embedded network**.

(3) A **distributor** must not—

(a) connect a new **ICP** to an existing **ICP** in series unless the existing **ICP** is of the type described in subclause (2)(a) or (2)(b); or

(b) create a new **ICP identifier** for a new or existing **ICP** in series with an existing **ICP** unless the existing **ICP** is of the type described in subclause (2)(a) or (2)(b) and the **distributor** is responsible for both the new and existing **ICPs**.

[5] Under section 15(3) of the Act, the additional objective only applies to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

15. CRP5-010 Definition of ‘reconciliation participant’

The Authority’s proposal

15.1. The Authority identified six problems with the definition of ‘reconciliation participant’ in clause 1.1 of the Code and proposed to:

(a) Amend the definition of ‘reconciliation participant’ so that it includes only those participants that must provide information for reconciliation under clauses 15.4 to 15.11, and make several consequential amendments to clauses in Part 15, including replacing the term ‘reconciliation participant’ with ‘participant’, thereby avoiding the amended definition being circular in meaning.

(b) Insert new clause 13.138C, to require generators that no longer fall within the definition of reconciliation participant, and therefore no longer need to be certified and audited as a reconciliation participant, to still be certified and audited if they provide metering information to the relevant grid owner as part of the pricing process.

(c) Insert new clause 16A.25A to specify the time frame for a generator to undertake an audit under proposed new clause 13.138C.

(d) Amend the definition of ‘reconciliation participant’ to expressly include a dispatchable load purchaser and make several consequential amendments to clauses in Part 15.

(e) Remove the references to the Authority and the Rulings Panel from the definition of reconciliation participant.

(f) Make minor consequential amendments to the following clauses in Part 15, to clarify their meaning—clauses 15.4, 15.5, 15.37A and 15.38, and clauses 2B to 8 of Schedule 15.1

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

15.2. We have decided to amend the Code as proposed above. We have made minor changes to the Code drafting, for consistency with the standard Code drafting approach, to replace an additional reference to ‘reconciliation participant’ to ‘participant’ in clause 2B of Schedule 15.1, and to revoke duplication in clause 15.38(1A), to give effect to the Authority’s policy intent.

15.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority’s response

15.4. There were two submissions on this proposal.

15.5. Both submissions supported the proposal and there was one comment.

Submitter’s view

15.6. A submitter suggested the drafting changes in clauses 15.4 and 15.5 made the clause more ambiguous. The submitter suggested it would be more consistent to

make these two clauses similar to clauses 15.6 to 15.11, as these clauses are clearer as to who they apply to.

Authority response

15.7. The Authority considers the Code amendments to clauses 15.4 and 15.5 are clear as to which participants have an obligation under these clauses, and does not consider any further changes are necessary. The second half of each of these clauses makes it clear the clause applies to a participant recorded in the registry as being responsible for an ICP ('…as having traded electricity…') during the relevant period.

15.8. The amended definition of 'reconciliation participant' includes a reference to '…provides information to the reconciliation manager in accordance with clauses 15.4 to 15.11'. Using the term 'reconciliation participant' in clauses 15.4 and 15.5 would make this definition a circular reference.

The amendment will promote the efficient operation of the electricity industry

15.9. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.

15.10. The Authority considers the amendment will do this primarily by:

(a) clarifying and simplifying the Code, which makes it easier for participants to understand and meet their Code obligations

(b) removing the risk of Code obligations being inadvertently placed on participants that the current definition of 'reconciliation participant' captures, but who are not required to provide information for reconciliation

(c) making future Code changes relating to reconciliation participants simpler and lower cost for the Authority to develop.

15.11. The Authority considers the Code amendment will have no effect on competition or the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

…

reconciliation participant means a **participant** ~~(excluding the **Authority** (even if the **Authority** acts as a **market operation service provider**) and the **Rulings Panel**)~~ that~~—~~ ~~who~~

(a) is ~~any~~ one of the following:

(i)~~(a)~~ a **retailer** when purchasing **electricity** from, or selling **electricity** to, the **clearing manager**:

(ii)~~(b)~~ a **generator**:

(iii)~~(c)~~ a **network** owner:

(iv)~~(d)~~ a **distributor**:

(v)~~(e)~~ a person who purchases **electricity** from or sells **electricity** to the **clearing manager**, including a **dispatchable load purchaser**: and

(b) provides information to the **reconciliation manager** in accordance with clauses 15.4 to 15.11

…

13.138C Generators to arrange for regular audits

Each **generator** with one or more obligations under clauses 13.136 to 13.138 of this Code must, in respect of those obligations,—

(a) obtain and maintain **certification** under Schedule 15.1 to be permitted to perform, or to have performed by an agent or agents, any of those obligations; and

(b) arrange to be **audited** regularly under Part 16A.

…

15.4 Submission information to be delivered for reconciliation

(1) Each ~~**reconciliation**~~ **participant** must, by 1600 hours on the 4th **business day** of each **reconciliation period**, ensure that **submission information** has been delivered to the **reconciliation manager** for all **NSPs** for which the ~~**reconciliation**~~ **participant** is recorded in the **registry** as having traded **electricity** during the **consumption period** immediately before that **reconciliation period**, in accordance with Schedule 15.3.

(2) Each ~~**reconciliation**~~ **participant** must, by 1600 hours on the 13th **business day** of each **reconciliation period**, ensure that **submission information** has been delivered to the **reconciliation manager** for all **points of connection** for which the ~~**reconciliation**~~ **participant** is recorded in the **registry** as having traded ~~trading~~ **electricity** during any **consumption period** being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which the ~~**reconciliation**~~ **participant** has obtained revised **submission information**, in accordance with Schedule 15.3.

15.5 Preparing and submitting submission information

(1) In preparing and submitting **submission information**, a ~~**reconciliation**~~ **participant** must ensure that **volume information** for each **ICP** is allocated to the **NSP** indicated by the data in the **registry** for the relevant **consumption period** at the time the ~~**reconciliation**~~ **participant** assembles the **submission information**.

(2) In preparing and submitting **submission information**, a ~~Each~~ ~~**reconciliation**~~ **participant** must derive **volume information** in accordance with Schedule 15.2.

(3) If a notice under clause 15.13 is in force for an **embedded generating station** in relation to a **point of connection**, a ~~**reconciliation**~~ **participant** ~~who~~ that trades at the **point of connection** is not required to comply with clause 15.4 or this clause in relation to **electricity** generated by the **embedded generating station** to which the notice relates.

…

15.37A Reconciliation participants ~~and dispatchable load purchasers~~ to arrange for regular audits

Each **reconciliation participant** ~~and each **dispatchable load purchaser**~~ with one or more obligations under this Part must arrange to be **audited** regularly ~~in accordance with~~ under Part 16A in respect of those obligations ~~the **reconciliation participant's** or **dispatchable load purchaser's** obligations under this Part~~.

…

15.38 Functions requiring certification

(1) Subject to clauses 2A and 2B of Schedule 15.1, a **reconciliation participant** ~~(except an **embedded generator** selling **electricity** directly to another **reconciliation participant**)~~ must obtain and maintain **certification** ~~in accordance with~~ under Schedule 15.1 ~~in order~~ to be permitted to perform, or to have performed by ~~way of~~ an agent or agents, any of the following functions ~~in compliance with~~ under this Code:

(a) maintaining **registry** information and performing **ICP** switching (except if the maintenance of **registry** information is carried out by a **distributor** ~~in accordance with~~ under Part 11):

(b) gathering and storing **raw meter data**:

(c) creating and managing (including validating, estimating, storing, correcting and archiving)—

(i) **half hour volume information**; or

(ii) non **half hour volume information**; or

(iii) **half hour** and non **half hour volume information**:

(iv) *[Revoked]*

(d) delivery of:

(i) a report under clause 15.6 and the calculation of the number of **ICP days** detailed in the report:

(ii) **electricity supplied** information under clause 15.7:

(iii) information from **retailer** and **direct purchaser half hourly** metered **ICPs** under clause 15.8:

(da) *[Revoked]*

(db) *[Revoked]*

(e) provision of **submission information** for reconciliation~~:~~

(f) ~~provision of **metering information** to the relevant **grid owner** in accordance with subpart 4 of Part 13~~. *[Revoked]*

(1A) In addition to the functions in subclause (1), a **reconciliation participant** that is a ~~A~~ **dispatchable load purchaser** must obtain and maintain **certification** ~~in accordance with~~under Schedule 15.1 ~~in order~~ to be permitted to perform, or to have performed by ~~way of~~ an agent or agents, any of the following functions ~~in compliance with~~under this Code:

(a) *[Revoked]* ~~gathering and storing **raw meter data**:~~

(b) creating and managing (including validating, estimating, storing, correcting, and archiving)— **dispatchable load information**:

~~(i) *[Revoked]* **half hour volume information**; or~~

~~(ii) *[Revoked]* non **half hour volume information**; or~~

~~(iii) *[Revoked]* **half hour** and non **half hour volume information**; or~~

~~(iv) *[Revoked]* **dispatchable load information**:~~

(c) providing **dispatchable load information**.

(1B) ~~For the purposes of subclause (1A), each reference to a **reconciliation participant** in Schedule 15.1 is to be read as a reference to a **dispatchable load purchaser**.~~ *[Revoked]*

…

Schedule 15.1

1 Contents of this Schedule

This Schedule sets out—

(a) *[Revoked]*

(b) the requirement for—

(i) **reconciliation participants** to be **certified** to perform the functions specified in clause 15.38; and

(ii) **generators** that are not **reconciliation participants** to be **certified** to perform any of the obligations specified under clauses 13.136 to 13.138;~~,~~ and

(ba) the process for obtaining and renewing that **certification**.

(c) *[Revoked]*

…

2A Requirement for certification

(1) Despite clause 15.38(1) and 15.38(1A), a **reconciliation participant** that is required to obtain **certification** under clause 15.38 must obtain **certification** no later than,—

(a) in the case of a **reconciliation participant** that is recorded in the **registry** as being responsible for fewer than 100 **ICPs** of the kind described in subclause (2), 12 months after the **reconciliation participant** first performs a function specified in clause 15.38(1); or

(b) in every other case, the later of—

(i) 6 months after the date on which the **reconciliation participant** first performs, including by using an agent, a function specified in clause 15.38~~(1)~~; or

(ii) the date on which the **reconciliation participant** is recorded in the **registry** as being responsible for 100 or more **ICPs** of the kind described in subclause (2).

(2) The kind of **ICP** referred to in subclause (1) is an **ICP** at which there is—

(a) 1 or more **category 1 metering installations** and no other kind of **metering installation**; and

(b) no **unmetered load**.

(3) A **generator** that is not a **reconciliation participant** and that is required to obtain **certification** under clause 13.138C must obtain **certification** no later than 6 months after the date on which the **generator** first performs, including by using an agent, an obligation under clauses 13.136 to 13.138.

2B ~~Reconciliation participants~~Participants to obtain Authority approval before performing certain functions

(1) A ~~reconciliation~~ **participant** that proposes to perform a function listed in clause 15.38~~(1)~~ without obtaining **certification** (in reliance on clause 2A) must obtain the **Authority's** prior approval.

(1A) A **generator** that is not a **reconciliation participant** and that proposes to perform an obligation under clauses 13.136 to 13.138 without obtaining **certification** (in reliance on clause 2A) must obtain the **Authority's** prior approval.

(2) The **Authority** must give its approval if it is satisfied, on the basis of information provided to it by the ~~reconciliation~~ **participant** specified in subclause (1) or subclause (1A), that the ~~reconciliation~~ **participant** complies with ~~such of~~ the requirements specified in subclause (3) ~~as are relevant~~ that apply to the ~~reconciliation~~ **participant**.

(3) The requirements are that the ~~reconciliation~~ **participant** must—

(a) be capable of producing **submission information** accurately:

(aa) where required, be capable of providing the **half-hour metering information** required under clauses 13.136 to 13.138:

(b) be capable of performing the functions described in clause 15.38(1)(d):

(c) be capable of switching an **ICP** in accordance with Schedule 11.3:

(d) be capable of managing an **ICP** in accordance with Schedule 11.1:

(e) understand its obligations under this Code.

3 Performance of ~~reconciliation~~ participant's obligations by agent

A ~~reconciliation~~ **participant** may perform any obligation under this Schedule by using an agent, and for that purpose, every act or omission of a ~~reconciliation~~ **participant's** agent is deemed to be an act or omission of the ~~reconciliation~~ **participant**.

4 Obtaining certification

(1) A ~~reconciliation~~ **participant** requiring **certification** to perform the functions specified in clause 15.38 or the obligations under clauses 13.136 to 13.138 must apply in writing to the **Authority** in the **prescribed form**, at least 2 months before the intended date of **certification**.

(2) When making an application under subclause (1), t~~T~~he ~~reconciliation~~ **participant** must—

(a) promptly provide such other information as the **Authority** may reasonably request; and

(b) indicate to the **Authority** the information gathering, processing and management functions the **participant** intends to perform and who it intends to use to perform those functions.

(3) ~~The **reconciliation participant** must indicate to the **Authority** the information gathering, processing and management functions it intends to perform and who it intends to use to perform those functions.~~*[Revoked]*

5 Granting certification

(1) The **Authority** must grant **certification** to a **reconciliation participant** or **generator** only if—

(a) the **Authority** is satisfied, on the basis of an **audit** report provided to the **Authority** under Part 16A, that the ~~**reconciliation**~~ **participant** meets the requirements relevant to the functions specified in clause 15.38 or the obligations under clauses 13.136 to 13.138 for which the ~~**reconciliation**~~ **participant** is seeking **certification**.

(b) *[Revoked]*

(2) A ~~**reconciliation**~~ **participant** is responsible for appointing an **auditor** to undertake the **audit** required by subclause (1).

(3) *[Revoked]*

6 Lists of certified reconciliation participants

The **Authority** must **publish**, and keep updated—

(a) a list of ~~**certified reconciliation**~~ **participants certified** under clause 13.138C and clause 15.38 including ~~that includes~~, for each ~~**reconciliation**~~ **participant**, the date on which the **certification** expires.

(b) *[Revoked]*

7 Renewal of certification

(1) **Certification** must not be granted for a term of more than 24 months.

(2) The **Authority** must renew a ~~**reconciliation**~~ **participant's certification** for a further term of not more than 24 months if the **Authority** is satisfied on the basis of an **audit** report provided to the **Authority** under Part 16A that the ~~**reconciliation**~~ **participant** continues to meet the requirements specified in clause 5.

8 Changes that affect certification

(1) *[Revoked]*

(1A) If there is a material change to a ~~**reconciliation**~~ **participant's** systems or processes such that an **audit** is required under clause 16A.11, the **Authority** must, on receiving the **audit** report required by that clause, decide whether to continue the ~~**reconciliation**~~ **participant's certification**.

(2) The **Authority** must, by notice to the ~~**reconciliation**~~ **participant**, continue the ~~**reconciliation**~~ **participant's certification** if the **Authority** is satisfied that the ~~**reconciliation**~~ **participant** will continue to meet the requirements in clause 5 after the change has come into effect.

(3) A ~~**reconciliation**~~ **participant's certification** is revoked if—

(a) ~~a **reconciliation**~~ the **participant** fails to provide an **audit** report to the **Authority** ~~in accordance with~~ under clause 16A.11; or

(b) the **Authority** gives written notice to the ~~**reconciliation**~~ **participant** that the **Authority** is not satisfied that the ~~**reconciliation**~~ **participant** will continue to meet the requirements in clause 5 after the change has come into effect.

…

16A.1 Contents of this Part

This Part specifies obligations on **participants** that perform functions under Parts 10, 11, 13 and 15 in respect of **audits** required under the following clauses:

(a) 10.17A (**Metering equipment providers** and **ATHs** to arrange for regular **audits**):
(b) 10.17B (**Authority** and **participant** requested **audits**):
(c) 11.8B (**Metering equipment providers** to arrange for regular **audits**):
(d) 11.10 (**Distributors** to arrange for regular **audits**):
(e) 11.11 (**Authority** and **participant** requested **audits**):
(ea) 13.138C (**Generators** to arrange for regular **audits**):
(f) 15.37A (**Reconciliation participants** ~~and **dispatchable load purchasers**~~ to arrange for regular **audits**):
(g) 15.37B (**Retailers** to arrange for **audits** in respect of **distributed unmetered load**):
(h) 15.37C (**Authority** and **participant** requested **audits**).

…

Subpart 6A—Generator audits

16A.25A Time frame for generator audits

In relation to **audits** required under clause 13.138C, a **generator** (or an applicant for **certification** as a **generator**) must ensure that—

(a) an initial **audit** is completed no later than 2 months before the date on which the **generator** (or the applicant for **certification** as a **generator**) is required to be **certified** as a **generator** under clause 2A of Schedule 15.1; and
(b) further **audits** are completed as specified by the **Authority** under clause 16A.14.

16. CRP5-011 Definitions of ‘embedded network’ and ‘electrical installation’

The Authority’s proposal

16.1. The Authority identified two problems with the definitions of ‘embedded network’ and ‘electrical installation’ and proposed to:

(a) amend the definition of ‘embedded network’ to remove the references to ‘lines’ and ‘works’, and to make the definition consistent with the definition of ‘secondary network’ in section 131A of the Act

(b) replace the defined term ‘electrical installation’ with a new defined term, ‘electrical facility', in Part 1 of the Code and replace all uses of the term ‘electrical installation’ with ‘electrical facility’ except for references to ‘electrical installation’ contained in the templates in Part 12A of the Code

(c) remove the reference to ‘electrical installation’ in clause 11.30B(4), in a manner that improves the clarity of the clause.

We have decided to implement the proposal without change

16.2. We have decided to amend the Code as proposed above.

16.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority’s response

16.4. There were three submissions on this proposal.

16.5. All three submissions supported the proposal and there was one comment.

16.6. One submitter noted an issue unrelated to this proposal. That issue requires consulting and has been added to the list for a future Code review programme.

Submitter’s view

16.7. A submitter noted a spelling mistake in the proposed Code drafting.

Authority response

16.8. The spelling mistake was in the consultation paper but not the Code, so no change to the amendment is necessary.

The amendment will promote the efficient operation of the electricity industry

16.9. The Code amendment is consistent with the Authority’s statutory objectives, and section 32(1)(c) of the Act, because it would promote the efficient operation of the electricity industry. It will reduce costs for various parties in interpreting and applying the Code by clarifying that:

(a) a person engaged in the conveyance of electricity on an embedded network is regulated by the Code

(b) an electrical installation (to be renamed electrical facility) includes fittings used or designed or intended for use in, or in relation to, the generation of electricity for use by the person at the installation.

16.10. The Code amendment is expected to have little or no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,–

…

decommissioning means—

(a) the permanent removal from service of—

(i) an **asset**; or

(ii) a **point of connection**; or

(iii) a **metering installation** associated with a **point of connection**; or

(b) for the purposes of Parts 11 and 15, the permanent removal of a **point of connection** by—

(i) permanently removing an **electrical facility~~installation~~** associated with the **point of connection**; or

…

electrical facility~~installation~~ means,—

(a) *[revoked]*

(b) all fittings that form part of a system for conveying **electricity** at any point from an **ICP** to any point from which **electricity** conveyed through that system may be consumed (including any fittings that are used or designed or intended for use by any person in, or in relation to, the generation of **electricity** for that person's use and not for supply to any other person), but does not include any electrical appliance,—

and **electrical facilities** has a corresponding meaning

…

embedded network means equipment that is used, designed, or intended for use in, or in connection with, ~~a system of **lines**, substations, and other **works**, used primarily for~~ the conveyance of **electricity**, and that—

…

ICP means an installation control point being 1 of the following:

(a) a **point of connection** at which the **electrical facility ~~installation~~** for a **retailer's** customer is connected to a **network** other than the **grid**:

…

11.30B Provision of information on electricity plan comparison site

…

(4) The information required by subclause (1) must also be clearly and prominently provided at least once every calendar year to each customer ~~whose **electrical installation** is connected~~ the **retailer** supplies **electricity** to at an **ICP** referred to in subclause (1).

…

Schedule 11.1

…

13 "New" status

The **ICP** status of "New" must be managed by the relevant **distributor** and indicates that—

(a) the associated **electrical facilities ~~installations~~** are in the construction phase; and

…

14 "Ready" status

(1) The **ICP** status of "Ready" must be managed by the relevant **distributor** and indicates that—

(a) the associated **electrical facilities ~~installations~~** are ready for connecting to the **electricity** supply; or

…

17 "Active" status

(1) The **ICP** status of "Active" must be managed by the relevant **trader** and indicates that—

(a) the associated **electrical facilities ~~installations~~** are **electrically connected**; and

…

20 "Decommissioned" status

…

(2) **Decommissioning** occurs when—

(a) **electrical facilities ~~installations~~** associated with the **ICP** are physically removed; or

(b) there is a change in the allocation of electrical loads between **ICPs** with the effect of making the **ICP** obsolete; or

…

17. CRP5-012 Retention of metering records

The Authority's proposal

17.1. The Authority identified three problems with the Code provisions relating to retention of metering records and proposed to:

(a) Amend clause 4 of Schedule 10.6 to clarify that a metering equipment provider (MEP) must keep metering records for a metering installation it is or was responsible for, unless:

(i) the metering installation is decommissioned, in which case the MEP must retain the records for at least 48 months after the metering installation is decommissioned; or

(i) the MEP ceases to be responsible for the metering installation, in which case the MEP must retain the records for at least 48 months after the MEP ceases to be responsible for the metering installation.

(b) Amend clause 4 of Schedule 10.6 to clarify the obligations on MEPs to retain metering records for recertified meters. In particular, clarify that an MEP may stop keeping metering records only if at least 48 months have passed since the metering installation was recertified using either the selected component method or the fully calibrated method.

(c) Amend clause 4 of Schedule 10.6 to require an MEP that is ceasing to be an MEP to pass metering records to the MEP(s) that are taking over responsibility for the affected metering installations. The incoming MEP(s) must retain the metering records provided by the outgoing MEP in accordance with clause 4 of Schedule 10.6.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

17.2. We have decided to amend the Code as proposed above with minor changes to the drafting to respond to a submitter's suggestion and to clarify the operation of new clause 4A(1).

17.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

17.4. There were two submissions on this proposal.

17.5. Both submitters supported the proposal and there were comments from one submitter.

Submitter's view

17.6. One submitter suggested the phrase "… until at least 48 months has passed…" could be simplified to "… [for] at least 48 months…"

Authority response

17.7. The Authority agrees and has made this change to the amendment.

The amendment will promote the efficient operation of the electricity industry

17.8. The Code amendment is consistent with the Authority's objectives, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.

17.9. The amendment will improve the efficient operation of the electricity industry by:

(a) reducing the possibility of metering records being destroyed in an untimely manner because of an MEP ceasing to be an MEP – this would reduce costs associated with resolving issues with metering installations (eg, customer complaints regarding metering accuracy); and

(b) clarifying the Code requirements relating to the retention of metering records by MEPs – this would reduce the cost to MEPs of understanding and complying with the Code.

17.10. The Code amendment is expected to have no effect on competition, the reliable supply of electricity, or on the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 10.6

…

4 Metering equipment provider record keeping and documentation

…

(3) A **metering equipment provider** must retain **metering records** relating to—

~~(a)~~ a **metering component** in a **metering installation** for which it is or was responsible, for at least 48 months after the **metering component** is removed from the **metering installation**, even if—

(a)~~(i)~~ the **metering installation** is subsequently **decommissioned**; or

(b)~~(ii)~~ the **metering equipment provider** ceases to be responsible for the **metering installation**.~~; and~~

~~(b) a **metering installation** for which it is responsible, for at least 48 months after the date on which—~~

~~(i) the **metering installation** is **decommissioned**; or~~

~~(ii) the **metering equipment provider** ceases to be responsible for the **metering installation**.~~

(4) A **metering equipment provider** must retain **metering records** relating to a **metering installation** for which it is or was responsible, unless—

(a) the **metering installation** is **decommissioned**; or

(b) the **metering equipment provider** ceases to be responsible for the **metering installation**; or

(c) the **metering installation** has been **recertified** in accordance with clause 11 of Schedule 10.7 or clause 13 of Schedule 10.7.

(5) If subclause (4)(a), 4(b) or 4(c) applies, the **metering equipment provider** must retain the **metering records** ~~until~~ for at least 48 months ~~have passed since~~ after the event described in those subclauses.

4A Transfer of metering records

(1) A **metering equipment provider** that intends to cease being a **metering equipment provider** (MEP A) must transfer its **metering records** to the **metering equipment provider** (MEP B) that is taking responsibility for ~~the~~ every **metering component~~s~~** or **metering installation~~s~~** that MEP A is responsible for.

(2) If a **metering equipment provider** (MEP B in subclause (1)) receives **metering records** under subclause (1), it must retain those **metering records** in accordance with clause 4.

18. CRP5-013 Retention of ATH records

The Authority's proposal

18.1. The Authority identified three problems with the current obligations on ATHs[6] under clause 13 of Schedule 10.4 (retention of ATH records) and proposed to:

(a) Amend Schedule 10.4 of the Code to separate out an ATH's retention obligations in relation to metering installation records and metering component records. Clause 13 would set out an ATH's obligations for the retention of records for metering components. New clause 13A would set out an ATH's obligations for the retention of ATH records for metering installations.

(b) Amend clause 13 of Schedule 10.4 and add new clause 13A of Schedule 10.4 to require an ATH to keep ATH records for at least 48 months after expiry of the certification to which the records relate.

(c) Amend clause 13 of Schedule 10.4 and draft new clause 13A of Schedule 10.4 to require an ATH that is ceasing to be an ATH to pass ATH records to the MEP(s) that are responsible for the affected metering installations.

(d) Make a consequential amendment to Schedule 10.6 to require the MEP who is receiving these ATH records to retain them for at least 48 months after the expiry of the certification to which the records relate.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

18.2. We have decided to amend the Code as proposed above, with one change to the Code drafting to respond to a submitter's comment, as set out below, and two minor changes, to properly bolden the title of clause 13 and the defined term 'metering equipment provider' in new clause 13A(2).

18.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

18.4. There were three submissions on this proposal.

18.5. All three submissions supported the proposal and there were comments from one submitter.

Submitter's view

18.6. One submitter noted the proposed drafting works well for metering installations at ICPs that are recorded in the electricity registry. The submitter noted the drafting is not clear who the ceasing ATH should send their metering records to in the cases of network supply points (NSPs) that are not recorded in the registry. The submitter proposed some drafting to make it clear in the case of NSPs.

---

[6] The Code defines an "ATH" in clause 1.1(1) to mean a person who is approved under Schedule 10.3 to operate an approved test house.

Authority Response

18.7. The Authority agrees with the comment and has made a further change to clarify the requirement in relation to NSPs.

The amendment will promote the efficient operation of the electricity industry

18.8. The Code amendment is consistent with the Authority's objectives, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.

18.9. The amendment would improve the efficient operation of the electricity industry by:

(a) Clarifying the Code requirements relating to the retention of ATH records. This will reduce the costs ATHs incur understanding and complying with the Code.

(b) Avoiding the costs of storing ATH records unnecessarily.

(c) Reducing the possibility of ATH records being destroyed in an untimely manner because of an ATH ceasing to be an ATH. This will reduce costs associated with investigating issues with metering installations (eg, where there may be questions regarding accuracy or calibration of the installation and metering components).

18.10. The Code amendment is expected to have no effect on competition or the reliable supply of electricity, or on the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 10.4

…

13 Retention of ATH records relating to metering components

(1) An **ATH** must, for each activity regulated under this Part in relation to a ~~**metering installation** and~~ **metering component** that it ~~**certifies** and a **metering component** that it~~ **calibrates** or **certifies**, retain~~,~~ the following records relating to that **metering component** for at least 48 months after the **certification** expiry date of ~~**decommissioning** the **metering installation** or **removal** of a~~ **metering component**,—

(a) all of ~~it's~~ the **ATH**'s records, certificates, and reports; and

(b) all **certification reports** produced by the **ATH**; and

(c) all **calibration reports** produced by the **ATH**.

(2) If an **ATH** intends to cease being an **ATH**, the **ATH** must transfer the records described in subclause (1) to the **metering equipment provider** either—

(a) recorded in the **registry** as being responsible for the **metering installation** where the **metering component** is installed; or

(b) identified in the **metering records** provided to the **reconciliation manager** under clause 10.26(7)(c) or 10.30(2)(c).

13A Retention of ATH records relating to metering installations

(1) An **ATH** must, for each activity regulated under this Part in relation to a **metering installation** that the **ATH certifies**, retain the following records relating to that **metering installation** for at least 48 months after the **certification** expiry date of the **metering installation**:

(a) all of the **ATH's** records, certificates, and reports:

(b) all **certification reports** produced by the **ATH**.

(2) If an **ATH** intends to cease being an **ATH**, the **ATH** must transfer the records described in subclause (1) to the **metering equipment provider** either—

(a) recorded in the **registry** as being responsible for the **metering installation**; or

(b) identified in the **metering records** provided to the **reconciliation manager** under clause 10.26(7)(c) or 10.30(2)(c).

Schedule 10.6

…

4B Metering equipment provider retention of ATH records

If a **metering equipment provider** receives an **ATH** record under clause 13(2) of Schedule 10.4 or clause 13A(2) of Schedule 10.4, the **metering equipment provider** must retain that record for at least 48 months after the date of expiry of the **certification** of the **metering installation** or **metering component** to which the record relates.

19. CRP5-014 Final interrogation of modified or temporarily removed metering installations

The Authority's proposal

19.1. The Authority proposed to amend clause 10.23A (which requires a final interrogation of a metering installation prior to decommissioning) so that it also applies to a metering installation that is being modified (including through the replacement of the meter) or temporarily removed.

We have decided not to proceed with implementing the proposal at this time

19.2. We have decided to withdraw the proposal. The proposal will be reviewed, and an amended proposal will be consulted on in a future Code review programme.

19.3. In the meantime, the Authority strongly recommends MEPs include the retrieval of meter data (both HHR and NHH) from modified metering installations as part of their normal "business as usual" processes. This should be done as metering equipment providers complete their regular process and system reviews and enhancements.

19.4. Two submitters did not support the proposal and one submitter supported the proposal. No other submitters commented on the proposal.

Submissions and the Authority's response

19.5. There were three submissions on this proposal. All three submissions were from MEPs.

19.6. One submission supported the proposal and made no comments.

19.7. Two submissions opposed the proposal and made several comments.

Submitters' views regarding the current situation

19.8. Submitters noted there are already systems in place for collecting and delivering final register reads, including for modified or temporarily removed installations. One also noted they have a service available to retailers to supply half-hour reads once the meter is returned. The submitters believe the current process is sufficient as meters are read nightly, the half-hour data between midnight and the actual meter removal time is unlikely to be material, and there are profile estimation processes that provide sufficient data.

19.9. Submitters also submitted there would be increased costs to change processes to enable the contractor to arrange an interrogation while onsite (before the meter removal). One submitter noted the amendment is impractical to achieve for MEPs that do not directly collect and process their own data. One submitter also noted receiving displaced meters is not timely, so the retrieval of the data from these meters will not be in time for the retailer to provide a bill to the customer based on actual data.

Authority response

19.10. The Authority notes the submitters' comments and will consider the comments when next reviewing this clause.

Submitters' views regarding scope of the proposal

19.11. One submitter suggested that if the proposal is implemented, it should only apply to communicating AMI meters, flagged as such on the electricity registry.

19.12. One submitter suggested that the term "modification" is too broad as it refers to all changes to the metering installation. The obligation in the clause should be limited to modifications that impact directly on the meter's HHR data.

Authority response

19.13. The Authority notes the submitters' comments and will consider the comments when next reviewing this clause.

20. CRP5-015 Limiting ability to remove an ICP from shared unmetered load

The Authority's proposal

20.1. The Authority proposed to amend clause 11.14 the Code to limit a trader to only adding or removing an ICP from a shared unmetered load when it is necessary to correct an error, or there is a change to the benefit the consumer at the ICP receives from the shared unmetered load.

We have decided to implement the proposal with further minor changes

20.2. We have decided to amend the Code as proposed above with one further, minor change to the definition of shared unmetered load to respond to a submitter's comment.

20.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

20.4. There were four submissions on this proposal.

20.5. All four submissions supported the proposal and there were comments from two submitters.

Submitter's view regarding a potential incorrect clause reference

20.6. A submitter queried if the reference to subclause (3) in clause 11.14(4) needed to be updated to refer to proposed new subclause (3A).

Authority Response

20.7. The Authority notes subclause (3) is the operative clause under which the trader can give a notice to the distributor to add or omit an ICP from the ICPs across which the unmetered load is shared, and proposed new subclause (3A) specifies the conditions under which a trader can give the notice. Therefore, the existing reference to subclause (3) is correct.

Submitter's view regarding supporting evidence and discretion to refuse a notice

20.8. A submitter suggested there should be a requirement on the trader to provide evidence that supports a notice given to the distributor. Additionally, distributors should be given discretion to refuse a notice.

Authority Response

20.9. The Authority notes clause 11.2 requires all participants to take all practicable steps to ensure that information provided under Part 11 (including under clause 11.14) is accurate and not misleading or deceptive, or likely to mislead or deceive. Any participant that believes, on reasonable grounds, that another industry participant has breached this obligation, including new subclause (3A), must report the alleged

breach to the Authority.[7] For these reasons the Authority does not consider any changes to its proposal are necessary or desirable.

Submitter's view regarding guidance on what constitutes a benefit

20.10. A submitter suggested there should be some guidance on when a consumer at an ICP benefits from a shared unmetered load.

Authority Response

20.11. The Authority agrees and has made a further minor amendment to the Code to include in the definition of "shared unmetered load" in clause 1.1 of the Code a non-exhaustive list of examples of benefits from shared unmetered load. These examples were used in the consultation paper. While this change was not included in the consultation paper, the Authority considers the nature of this change is technical and non-controversial under section 39(3)(a) of the Act.

20.12. The Authority notes the distributor is under an obligation to make the initial determination of which ICPs benefit from the shared unmetered load when issuing a notice to traders under clause 11.14(2).

The amendment will promote the efficient operation of the electricity industry

20.13. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry, by ensuring that all consumers that benefit from a shared unmetered load pay their share of the costs for that load.

20.14. There will also be a minor positive effect on competition as all retailers would be required to provide for the shared unmetered load at an ICP.

20.15. The Code amendment is expected to have no effect on the reliable supply of electricity and does not relate to the dealings of participants with domestic consumers and small business consumers.[8]

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

…

shared unmetered load means **unmetered load** at a single **point of connection** that is distributed across more than 1 **ICP**, including without limitation, streetlighting in a private right-of-way servicing multiple properties, and sewage pumps servicing multiple properties

[7] Pursuant to regulation 8(1) of the Electricity Industry (Enforcement) Regulations 2010.

[8] Under section 15(3) of the Act, the additional objective only applies to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

…

11.14 Process for maintaining shared unmetered load

(1) This clause applies if **shared unmetered load** is connected to a **distributor's network**.

(2) The **distributor** must give written notice to the **registry manager**, and each **trader** responsible under clause 11.18(1) for the **ICPs** across which the **unmetered load** is shared, of the **ICP identifiers** of those **ICPs**.

(3) A **trader** who receives written notice under subclause (2) must give written notice to the **distributor** if it wishes to add an **ICP** to or omit an **ICP** from the **ICPs** across which the **unmetered load** is shared.

(3A) A **trader** giving notice under subclause (3) must give a notice to add or omit an **ICP** only to—

(a) add an **ICP** if the **consumer** at the **ICP** benefits from the **shared unmetered load**; or

(b) omit an **ICP** if the **consumer** at the **ICP** no longer receives benefit from the **shared unmetered load.**

(4) A **distributor** who receives written notice under subclause (3) must give written notice to the **registry manager** and each **trader** responsible for any of the **ICPs** across which the **unmetered load** is shared of the addition or omission of the **ICP**.

21. CRP5-016 Timeframes to update registry when dependent on metering equipment provider updates

The Authority's proposal

21.1. The Authority proposed to amend the Code to set the timeframe for distributors and traders to update the registry to start from the date the MEP populates the necessary information on the registry. This would ensure traders and distributors do not breach the Code if they cannot update the register because a MEP has not populated the information on the registry in time.

We have decided to implement the proposal without change

21.2. We have decided to amend the Code as proposed above with one minor formatting change to clause 8(2) of Schedule 11.1.

21.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

21.4. There were five submissions on this proposal.

21.5. All submissions supported the proposal and there were several comments.

Submitter's comment regarding the registry reporting

21.6. One submitter suggested the electricity registry 'Audit compliance' report (report AC-020) be amended to reflect the change to the timeframes.

Authority response

21.7. Authority staff will be asking the registry to make this change.

Submitter's comment regarding the registry decommissioning logic

21.8. One submitter suggested the Authority review the electricity registry logic that prevents distributors entering the correct 'effective date' of the decommission.

Authority response

21.9. Authority staff will review this logic and ask the electricity registry to take any appropriate action if necessary.

Submitters' comments regarding timeframes for other participants' interactions with the registry

21.10. Two submitters suggested the Authority consider reviewing the timeframes related to other participants' interactions with the registry as there are other situations that have the potential to cause consequential non-compliances.

Authority response

21.11. The Authority notes the comments and agrees these issues should be reviewed, however potential changes such as those suggested will need to be consulted on

as they affect other participants. The Authority will include these for a future Code review programme.

The amendment will promote the efficient operation of the electricity industry

21.12. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

21.13. The amendment will improve the efficient operation of the electricity industry by ensuring the Code is aligned with the functionality of the registry, thereby reducing costs for both participants and the Authority in reporting and processing alleged Code breaches for matters the Authority is unlikely to investigate.

21.14. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 11.1

…

8 Distributors to change ICP information provided to registry manager

(1) If information about an **ICP** provided to the **registry manager** in accordance with clause 7 changes, the **distributor** in whose **network** the **ICP** is located must give written notice to the **registry manager** of the change.

(2) Subject to subclause (2A), t~~T~~he **distributor** must give the notice—

(a) in the case of a change to the information referred to in clause 7(1)(b) (other than a change that is the result of the **commissioning** or **decommissioning** of an **NSP**), no later than 8 **business days** after the change takes effect; and~~:~~

(aa) in the case of a change to the information provided under clause 7(1)(g), where the change is backdated, no later than 3 **business days** after the **distributor** and the **trader** responsible for the **ICP** agree on the change; and

(ab) in the case of **decommissioning** an **ICP**, by the later of—

(i) 3 **business days** after the **registry manager** has advised the **distributor** under clause 11.29 that the **ICP** is ready to be **decommissioned**; and

(ii) 3 **business days** after the **distributor** has **decommissioned** the **ICP**; and~~:~~

(b) in every other case, no later than 3 **business days** after the change takes effect.

(2A) Where the functioning of the **registry** prevents the **distributor** from updating the **registry** until after a **metering equipment provider** has completed its obligations relating to the **ICP** in accordance with Schedule 11.4, the

timeframes in subclause (2) start from the day the **metering equipment provider** completes those obligations.

(3) A **distributor** is not required to give written notice if information provided in accordance with clause 7(1)(b) changes, and applies for less than 10 **business days**.

(4) If information provided under clause 7(1)(b) changes, and applies for 10 **business days** or more, the **distributor** must—

(a) give the notice under subclause (1) no later than 13 **business days** after the change takes effect; and

(b) include in the notice the date the change occurred as the effective date for the change.

…

10 Traders to change ICP information provided to registry manager

(1) If information about an **ICP** provided to the **registry manager** in accordance with clause 9 changes, the **trader** who trades at the **ICP** must give written notice to the **registry manager** of the change.

(2) Subject to subclause (2A), t~~T~~he **trader** must give the notice no later than 5 **business days** after the change.

(2A) Where the functioning of the **registry** prevents the **trader** from updating the **registry** until after the **metering equipment provider** has completed its obligations relating to the **ICP** in accordance with Schedule 11.4, the timeframes in subclause (2) start from the day the **metering equipment provider** has completed those obligations.

(3) Despite subclause (2), if the **trader** is not able to give the notice within the timeframe specified in subclause (2) because of the implementation of the Electricity Industry Participation (Metering Arrangements) Code Amendment 2011, the **trader** may give the notice up to 20 **business days** after the change.

(4) Subclause (3) and this subclause expire 20 **business days** after the date on which the Electricity Industry Participation (Metering Arrangements) Code Amendment 2011 comes into force.

22. CRP5-017 Disbursement of interest from the clearing manager's bank accounts

The Authority's proposal

22.1. The Authority identified two separate but related problems regarding the clearing manager's bank accounts and proposed to:

(a) Insert a new clause to Part 14 to require the clearing manager to regularly disburse any monies remaining in the operating accounts (after any tax is deducted and to allow for amounts already allocated, anticipated bank fees are paid, and a prudent residual positive balance) to generators. The new clause will also set out how the residual funds are to be allocated.

(b) Amend the definition of 'operating account' in Part 1 and clause 14.66 to make it clear the clearing manager may have more than one operating account.

We have decided to implement the proposal with further minor changes

22.2. We have decided to amend the Code as proposed above with minor changes to improve clarity of the drafting and to resolve issues raised by the clearing manager and noted by the Authority.

22.3. The Authority has become aware the proposed drafting of new clause 14.34A(4)(b) did not make it clear who the clearing manager would pay the funds to. We have made a further change to clarify the effect of the provision, which is that the clearing manager is required to pay the residual funds in its operating accounts to those participants the clearing manager has paid in accordance with clause 14.34 in the immediately preceding six-month period (other than grid owners).

22.4. The Authority has also made a further minor amendment to the Code to include, in the definition of 'operating account' in clause 1.1, a reference to 'operating accounts' which is to have a corresponding meaning. This will ensure that references to 'operating accounts' in new clause 14.34A are aligned with the Code definition of 'operating account'. While this change was not included in the consultation paper, the Authority considers the nature of this change is technical and non-controversial under section 39(3)(a) of the Act.

22.5. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

22.6. There was one submission on this proposal from the clearing manager.

22.7. The submission supported the proposal and had several comments.

Submitter's view

22.8. The clearing manager raised three minor issues with the proposed drafting:

(a) The proposal requires interest to be dispersed at the end of every six months, but the clearing manager suggested this could be done more frequently.

(b) The clearing manager noted the proposal discusses disbursement of interest in proportion to energy generation payments but the proposed drafting links the disbursement to the total clearing manager payments, which includes payments other than for energy.

(c) The clearing manager suggested any interest payment for a participant in trader default should be first used to clear the amount in default and only any residual be paid to the participant.

Authority response

22.9. The Authority agrees with the clearing manager's suggestions and has made changes to the Code amendment to give effect to these. In particular, the proposed Code drafting has been amended to enable the clearing manager to pay residual funds more frequently than every six months (clause 14.34A(4)), and to clarify payments will be calculated based on payments for electricity sold, rather than all payments by the clearing manager (clause 14.34A(3)(b) and (c)). The Authority has also inserted provision for the clearing manager to deduct any unpaid amounts payable to the clearing manager (clause 14.34A(3)(d)).

The amendment will promote the efficient operation of the electricity industry

22.10. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

22.11. The Code amendment will improve the efficient operation of the electricity industry by:

(a) ensuring the clearing manager has clear instruction on how to disburse interest earned on the operating accounts, and to whom

(b) partly compensating generators for the risk of underpayment due to a purchaser's default they are required to accept

(c) clarifying that the clearing manager may have more than one operating account, thereby ensuring the Code is aligned with existing practice.

22.12. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

…

operating account means the trust account or accounts established by the **clearing manager** in accordance with clause 14.66, and **operating accounts** has a corresponding meaning

…

14.34A Payment of residual funds from operating accounts

(1) In this clause,—

(a) applicable period means the period from the last date the **clearing manager** determined the amount of residual funds to be paid to each **participant** under subclause (3), if applicable, up to the date the **clearing manager** determines the amount of residual funds to be paid to each **participant** under subclause (3):

(b) residual funds means any monies left in the **clearing manager's operating accounts** after all amounts owed by the **clearing manager** have been paid in accordance with this Part, less—

(i~~a~~) any applicable deduction for tax purposes; and

(ii~~b~~) any amounts that are allocated to be paid to **participants** in accordance with this Part that have not yet been paid; and

(iii~~c~~) any amount~~s~~ required to ~~:(i) ——~~pay any bank fees due for the next two months for the **operating account**; and

(iv ~~ii~~) any amounts required to maintain a positive balance in each **operating account** at a level that the **clearing manager** considers is reasonably prudent.

(2) The **clearing manager** may use monies in the **operating accounts**, that are not paid or due to be paid to **participants** in accordance with this Part, to pay any bank fees due or applicable tax owing for the **operating accounts**.

(3) The **clearing manager** will determine the amount of residual funds to be paid to each **participant** in accordance with subclause (4) as follows:

(a) by determining the amount of residual funds available in its **operating accounts** ~~as at 1600 hours on the third to last **business day** in the months of March and September~~:

(b) by identifying the ~~allocating those **residual funds** to each~~ **participant~~s~~** that the **clearing manager** has paid in accordance with clause ~~14.34~~14.20(2)(a), other than **grid owners**, in the applicable period:

(c) by allocating the residual funds available to the **participants** identified under paragraph (b), in direct proportion to the amount the **clearing manager** has paid ~~the~~ each **participant** in the applicable period ~~immediately preceding six month period~~ compared to the total amount the **clearing manager** has paid all **participants** in accordance with clause ~~14.34~~14.20(2)(a), other than **grid owners**, in that ~~six month~~ period:

(d) by deducting, from any residual funds allocated to a defaulting **participant** under paragraph (c), any amount the **clearing manager** sets-off against the unpaid amount payable by the defaulting **participant** to the **clearing manager** under clause 14.44(1)(c):

(e~~c~~) by rounding down the amount allocated to ~~the~~ each **participant** to the nearest cent.

(4) At least once in each six-month period, but no later than ~~By~~ 1600 hours on the final **business day** in the months of March and September, the **clearing manager** must—

(a) advise each **participant** that the **clearing manager** has paid in accordance with clause 14.20(2)(a) ~~14.34~~ in the **applicable period** ~~immediately preceding six-month period~~, other than **grid owners,** of the

amount of residual funds to be paid to that **participant**, as determined under subclause (3); and

(b) pay the ~~any~~ residual funds ~~in its **operating accounts**~~ to each **participant** in accordance with subclause (3).

…

14.66 Clearing manager to establish operating account

(1) The **clearing manager** must establish, in its name, ~~an~~ at least one **operating account** with a **bank**.

(2) Each ~~The~~ **operating account** must—

(a) be held by the **clearing manager** as a trust account for the benefit of the persons who are entitled to receive payment from the **clearing manager** under this Part; and

(b) be clearly identified as such; and

(c) subject to this Code, be entirely separate from the **cash deposit accounts** and any other account of the **clearing manager**.

(3) The **clearing manager** must obtain an acknowledgement from the **bank** with which each ~~the~~ **operating account** is held that—

(a) the funds in that account are held on trust for the purposes set out in clause 14.33; and

(b) the **bank** has no right of set-off or combination in relation to the funds.

23. CRP5-018 Ensuring audit obligations remain in effect

The Authority's proposal

23.1. The Authority proposed to insert a new clause in Part 16A permitting the Authority to require an audit to be completed and submitted under Part 16A if an audit has not been submitted by the previously specified date (because the participant either breached their Code obligation to provide an audit report or were exempted from the obligation).

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

23.2. We have decided to amend the Code as proposed above with one minor change to respond to a submitter's comment and clarify there must be a minimum audit period of at least three months. We have also made additional minor changes to correct a typo and bold defined terms in the Code drafting.

23.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

23.4. There were three submissions on this proposal.

23.5. All submissions supported the proposal and there was one comment.

Submitter's view

23.6. One submitter asked the Authority to confirm if the word "not" should be inserted in proposed new subclause (3) regarding the minimum audit period.

Authority response

23.7. The Authority agrees with the submitter and confirms the word "not" should be inserted to ensure there is a minimum audit period of three months. This is consistent with the minimum audit period required in clause 16A.14(1)(a).

The amendment will promote the efficient operation of the electricity industry

23.8. The Code amendment is consistent with the Authority's statutory objectives, and sections 32(1)(c) and 32(1)(e) of the Act, because it will contribute to the efficient operation of the electricity industry and the performance by the Authority of its functions by:

(a) ensuring the Authority has the power to require audits under the Code in all relevant situations; and

(b) ensuring all participants are regularly audited for compliance with the Code, thereby allowing non-compliances to be identified and remedied, thus protecting the integrity of the market processes for all participants.

23.9. The Code amendment is expected to have no effect on competition, the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

16A.14A Authority may require participant to undertake audit

(1) This clause applies if a **participant**—

(a) was required to carry out an **audit** in accordance with this Part and failed to complete the **audit** and give a final **audit** report to the **Authority** in accordance with clause 16A.13; or

(b) was exempted under section 11 of the **Act** from giving a final **audit** report to the **Authority** in accordance with clause 16A.13 and that exemption has expired or was revoked.

(2) The **Authority** may advise the **participant**—

(a) if subclause (1)(a) applies, of the date by which the **participant** must complete the next **audit** that the **participant** is required to carry out in accordance ~~accordanace~~ with this Part; or

(b) if subclause (1)(b) applies, of the date by which the **participant** must complete the first **audit** that the **participant** is required to carry out in accordance with this Part since the exemption expired or was revoked.

(3) The **Authority** must not advise the **participant** of a date under subclause (2) that is any earlier than 3 months after the date that the **Authority** gives the advice to the **participant**.

(4) The date the **Authority** advises under subclause (2) is the date by which the **participant** must complete the **audit** for the purposes of clause 16A.14.

24. CRP5-019 Clarifying two clauses in the Part 8 technical codes

The Authority's proposal

24.1. The Authority identified issues with two clauses in the technical codes in Schedule 8.3 and proposed to:

(a) Amend clause 5(1)(c)(ii) of Technical Code A to set a droop range of 1% to 7%.

(b) Amend clause 4(b) of Technical Code B to clarify that the system operator must use reasonable endeavours to ensure grid owners or other asset owners specify to the system operator what facilities they have put in place to manually electrically disconnect demand at each point of connection.

We have decided to implement the proposal without change

24.2. We have decided to amend the Code as proposed above.

24.3. There were no submissions on the proposal.

24.4. The Code amendment will come into force on 1 March 2024.

The amendment will promote the efficient operation of the electricity industry

24.5. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it promotes the efficient operation of the electricity industry.

24.6. The Authority considers the Code amendment will promote the efficient operation of the electricity industry by making it easier for participants to understand and comply with their obligations.

24.7. The Code amendment is expected to have little or no effect on competition, the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 8.3, Technical Code A – Assets

…

5 Specific requirements for generators

(1) Each **generator** must ensure that—

…

(c) each of its **generating units** has a speed governor that—

(i) provides stable performance with adequate damping; and

(ii) has an adjustable droop over the range of ~~0%~~ 1% to 7%; and

(iii) does not adversely affect the operation of the **grid** because of any of its non-linear characteristics; and

…

Schedule 8.3, Technical Code B – Emergencies

…

4 Obligations of the system operator

The **system operator** must use reasonable endeavours to ensure that—

(a) if necessary, each **participant** is advised of any independent action required of it if there is a **grid emergency**; and

(b) ~~facilities to be put in place by~~ **grid owners** or other **asset owners** specify to the **system operator** the facilities they have in place to manually **electrically disconnect demand** at each **point of connection** ~~are specified~~.

25. CRP5-020 Revised timeframe for distributors to change chargeable capacity and installation information in the registry records

The Authority's proposal

25.1. The Authority proposed to amend clause 8(2)(aa) of Schedule 11.1 of the Code, which was inserted on 31 December 2021 to address the problem relating to backdating of price category code changes. The amendment would allow a distributor to backdate a change to the following pricing-related information provided under clause 7(1) of Schedule 11.1, if the distributor and the trader responsible for the ICP agreed a date for the change to take effect:

(a) the chargeable capacity of an ICP; and

(b) the distributor installation details of an ICP that are determined by the price category code assigned to the ICP.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

25.2. We have decided to amend the Code as proposed above with minor changes to the drafting for consistency with the standard Code drafting approach and to respond to a submitter's comment as described in paragraph 24.8 below.

25.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

25.4. There were two submissions on this proposal.

25.5. Both submissions supported the proposal and there were several comments.

Submitter's view regarding drafting

25.6. One submitter noted the proposed drafting could be clearer that the backdating must only occur if both the distributor and trader have agreed.

Authority response

25.7. The Authority agrees with the submitter and has made a minor change to the Code drafting to make it clear both must have agreed, and the 3-day timeframe starts from when that agreement is made.

Submitter's view regarding backdating of other information in the electricity registry

25.8. Both submitters suggested the Authority review other participant obligations to backdate information in the registry. One submitter noted the issue where a participant is in breach of the updating timeframes if it backdates information but if it does not backdate then it is in breach of the obligation to ensure accurate information.

Authority response

25.9. The Authority notes the comments and will include a more general review of timing obligations for updating electricity registry information in a future Code review programme.

The amendment will promote the efficient operation of the electricity industry

25.10. The Code amendment is consistent with the Authority's objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

25.11. The Code amendment will improve the accuracy of the ICP information held in the registry. This will facilitate accurate invoicing of traders and consumers.

25.12. The Code amendment is expected to have little or no effect on competition or the reliable supply of electricity and does not relate to the dealings of participants with domestic consumers and small business consumers.[9]

Final amendment

Schedule 11.1 Creation and management of ICPs, ICP identifiers and NSPs

…

8 Distributors to change ICP information provided to registry manager

…

(2) The **distributor** must give the notice—

(a) in the case of a change to the information referred to in clause 7(1)(b) (other than a change that is the result of the **commissioning** or **decommissioning** of an **NSP**), no later than 8 **business days** after the change takes effect; and

(aa) in the case of a change to the information provided under clauses 7(1)(g)), 7(1)(h) and 7(1)(i) where the change is backdated, no later than 3 **business days** after the **distributor** and the **trader** responsible for the **ICP** have agreed on the change; and

(ab) in the case of **decommissioning** an **ICP**, by the later of—

(i) 3 **business days** after the **registry manager** has advised the **distributor** under clause 11.29 that the **ICP** is ready to be **decommissioned**; and

(ii) 3 **business days** after the **distributor** has **decommissioned** the **ICP**; and~~:~~

(b) in every other case, no later than 3 **business days** after the change takes effect.

[9] Under section 15(3) of the Act, the additional objective only applies to the Authority's activities in relation to the dealings of industry participants with domestic consumers and small business consumers.

26. CRP5-021 Clarifications to hedge settlement agreements

The Authority's proposal

26.1. The Authority identified several issues with hedge settlement agreement forms in Schedule 14.4 of the Code and proposed to amend all three forms to:

(a) clarify how the clearing manager will manage the settlement when day, business day and non-business day are specified in the underlying hedge

(b) clarify how the clearing manager will manage the days on which daylight savings starts and ends

(c) include the clearing manager's obligation to advise the parties of the calculated amounts by the 5th business day (contained in the service provider agreement between the clearing manager and the Authority) and clarify how the parties can raise issues with the calculations before the invoices are issued.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

26.2. We have decided to amend the Code as proposed above with one change as described in paragraph 26.10 below and minor changes to bold defined terms and align with the Code drafting principles.

26.3. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

26.4. There was one submission on this proposal.

26.5. The submission supported the proposal and made two comments.

Submitter's view regarding the clearing manager's timeframe

26.6. The submitter suggested the clearing manager should advise the parties of the hedge settlement amounts on the first business day of the month instead of the 5th business day.

Authority response

26.7. The obligation on the clearing manager to publish hedge settlement agreement amounts by the 5th business day of the month is in the market operator service provider agreement between the Authority and the clearing manager (Schedule 2, clause 5.3(b)). The objective of this proposal is to reflect that obligation in the Code. Changing that obligation is out of scope of this proposal.

26.8. In any event, the Authority notes that final prices for the last day of the month are only available on the afternoon of the first day and the clearing manager needs some time to make its calculations. The clearing manager can still provide the hedge settlement amounts earlier than the 5th business day if they are available

earlier. For these reasons the Authority does not consider any changes to its proposal are necessary or desirable.

Submitter's view regarding including additional definitions

26.9. The Submitter suggested that the hedge settlement agreement forms include the Code definitions of 'business day' and 'national holiday' in the interpretation section of the form, as these forms are often used in isolation from the Code.

Authority response

26.10. The Authority agrees to include the definition of 'business day' in the three hedge settlement agreement forms. The Authority notes it normally would not duplicate a term (defined in Part 1) in other parts of the Code, and that each form states at paragraph 1(1) that 'terms that are used in this agreement but not defined bear the meaning given to them in the Code'. However, in this instance, the definition of business day includes a day specific to the Wellington region. A user of the forms unfamiliar with the Code may not be aware of the inclusion of Wellington Anniversary Day as a non-business day for the purposes of a hedge settlement agreement. The Authority has not included the definition of 'national holiday' in the forms as the same concern does not arise.

The amendment will promote the efficient operation of the electricity industry

26.11. The Code amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry by making it easier for participants to clearly understand how the underlying hedge will be settled and the process for identifying and seeking resolution of any issues with the settlement amounts, in addition to the procedures set out in Part 14 of the Code.

26.12. The Code amendment is expected to have no effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

Schedule 14.4

Form 1

…

2 Definitions

The following definitions apply to this document:

…

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

…

3 Payment of hedge settlement amounts

In relation to a **billing period**:

(a) if the **aggregate floating amount** exceeds the **aggregate fixed amount**:

(i) the **floating price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and

(ii) the **clearing manager** must pay the **fixed price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**,

on the relevant **settlement date**; and

(b) if the **aggregate fixed amount** exceeds the **aggregate floating amount**:

(i) the **fixed price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and

(ii) the **clearing manager** must pay the **floating price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**,

on the relevant **settlement date**~~.~~; and

(c) the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

…

5 Other provisions

(~~a~~1) The **fixed price** is inclusive of any additional costs arising due to carbon charges.

(~~b~~2) Where the terms of this **hedge settlement agreement** include reference to—

(~~i~~a) day, this means both **business days** and non-**business days**:

(~~ii~~b) weekday, this means a **business day**:

(~~iii~~c) weekend, this means non-**business days**.

(~~c~~3) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **fixed amounts** and **floating amounts** for the days on which daylight savings starts or ends in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

…

Form 2: Cap/Floor Calculation Period Price

…

2 Definitions

The following definitions apply to this document:

…

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

…

3 Payment of hedge settlement amounts

(1) In relation to a **billing period**:

(a) the **option buyer** must pay the **clearing manager** an amount equal to the **option premium** for that **billing period**; and

(b) the **clearing manager** must pay the **option seller** an amount equal to the **option premium** for that **billing period**; and

(c) the **option seller** must pay the **clearing manager** an amount equal to the **cash settlement amount** for that **billing period**; and

(d) the **clearing manager** must pay the **option buyer** an amount equal to the **cash settlement amount** for that **billing period**,

on the relevant **settlement date**.

(2~~c~~) In relation to a **billing period** the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

…

5 Other provisions

(1~~a~~) The **strike price** is inclusive of any additional costs arising due to carbon charges.

(2~~b~~) Where the terms of this **hedge settlement agreement** include reference to—

(a~~i~~) day, this means both **business days** and non-**business days**:

(b~~ii~~) weekday, this means a **business day**:

(c~~iii~~) weekend, this means non-**business days**.

(3~~c~~) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **calculation period premium** and **calculation period settlement amounts** for these

days in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

Form 3: Cap/Floor Average Price

…

2 Definitions

The following definitions apply to this document:

…

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

…

3 Payment of hedge settlement amounts

(1) In relation to a **billing period**:

(a) the **option buyer** must pay the **clearing manager** an amount equal to the **option premium** for that **billing period**; and

(b) the **clearing manager** must pay the **option seller** an amount equal to the **option premium** for that **billing period**; and

(c) the **option seller** must pay the **clearing manager** an amount equal to the **cash settlement amount** for that **billing period**; and

(d) the **clearing manager** must pay the **option buyer** an amount equal to the **cash settlement amount** for that **billing period**,

on the relevant **settlement date**.

(2~~c~~) In relation to a **billing period** the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

…

5 Other provisions

(1~~a~~) The **strike price** is inclusive of any additional costs arising due to carbon charges.

(2~~b~~) Where the terms of this **hedge settlement agreement** include reference to—

(a~~i~~) day, this means both **business days** and non-**business days**;

(b~~ii~~) weekday, this means a **business day**;

(c~~iii~~) weekend, this means non-**business days**.

(3c) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement,** the **clearing manager** will calculate the **calculation period premium** and **option period settlement amounts** for these days in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

27. CRP5-022 Part 6A dispensation scheme for specified persons

The Authority's proposal

27.1. The Authority proposed to amend the Code to introduce a dispensation scheme for specified persons.[10] This would provide specified persons with a pathway to apply for a dispensation that would exclude them from the obligation to comply with Part 6A or any provisions of Part 6A, should the Authority consider a dispensation appropriate in the circumstances and subject to any conditions the Authority considers reasonably necessary.

27.2. The proposal would make permanent the Code amendments introduced on an urgent basis in August 2023,[11] which will otherwise expire 9 months after the date the urgent amendment came into force.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

27.3. We have decided to amend the Code as proposed above with very minor changes to the Code drafting, specifically to amend a reference to 'industry participant' to 'participant' (in line with a submission received), to introduce a cross heading above new clause 6A.9 and to amend a reference to 'section 15' to 'section 15 of the Act'.

27.4. Two submitters commented on the proposal. Both supported some form of a dispensation scheme but suggested further changes to clarify the operation of the scheme.

27.5. The Code amendment will come into force on 1 March 2024.

Submissions and the Authority's response

27.6. Two submissions commented on the proposal.

Submitter's view – scope and effect of Part 6A dispensations

27.7. One submitter suggested the proposal should be broadened to enable a dispensation to be sought in relation to a specified person's 'involvement', so that multiple applications in respect of the same matter are not required (ie applications for exemptions for participants and dispensations for specified persons).

Authority response

27.8. The Authority does not consider that extending the scope of the proposal to capture 'involvements' is necessary or desirable. The intention, when shifting the rules in

[10] Section 32(6) of the Act defines a specified person as 'a person (other than an industry participant) who is involved in both classes of industry participant that are the subject of any provisions made in accordance with subsection (3)'. Section 32(3) permits the Code to impose obligations on a specified person 'for the purpose of restricting relationships between 2 classes of industry participants, where those relationships may not otherwise be at arm's length'.

[11] Under the Electricity Industry Participation Code Amendment (Part 6A Dispensation for Specified Persons) 2023.

Part 6A from the Act to the Code, was that the section 11 would be used to exempt a participant from Part 6A, and section 11 was amended to accommodate this.[12] The objective of the proposal is to ensure that a similar scheme is available for specified persons, who are also subject to some of the rules in Part 6A. In practice, exemptions and dispensations in relation to the same involvement can be applied for at the same time.[13]

Submitter's view – drafting comment

27.9. One submitter noted that it is not clear why the term 'industry participant' has been used in the Code drafting, rather than just the defined term 'participant'.

Authority response

27.10. The Authority agrees that the proposal should use the term 'participant' for consistency with the Authority's normal Code drafting approach and has made this change in the Code drafting below.

Submitter's view – availability of Part 6A dispensations

27.11. One submitter considered that there is potential for unfair commercial advantage to arise where some parties will not be subject to the same regulatory obligations as others. It was concerned that the proposal could exempt some from procedural requirements and regulatory cost beyond what is intended. That submitter noted the dispensation scheme operating under Part 8 of the Code and suggested that the Authority should apply a more prescriptive set of criteria to deciding dispensation applications, such as how many are granted and under what circumstances a specified person is allowed to access a dispensation.

Authority response

27.12. The Authority acknowledges the submitter's concern in relation to the risk for unfairness whenever dispensations or exemptions are granted. The Authority adopts a careful and considered approach to all exemption applications, and it will do so for Part 6A dispensations under the proposal. It is important to note that the purpose of the proposal is simply to ensure a pathway remains for specified persons to apply to the Authority to be excluded from the obligation to comply with the Part 6A rules. Such a pathway used to be available under section 90 of the Act and is still available for industry participants under section 11.

27.13. The proposal applies the same test for determining a dispensation as applies for granting exemptions under section 11 of the Act. The Authority considers it appropriate to apply the same test in respect of any person who seeks to be excluded from the obligation to comply with the arm's-length rules, whether they are an industry participant (eligible for an exemption under section 11) or a specified

---

[12] Section 11 of the Act was amended by the Electricity Industry Amendment Act 2022 to enable the Authority to grant an exemption on any terms that it reasonably considers are necessary, consistent with section 90. See: Departmental Disclosure Statement at 12

[13] Exemptions and dispensations | Electricity Authority (ea.govt.nz). The Authority's consideration of the Top Energy and Ngāwhā application demonstrates how can work in practice: Exemption application: Top Energy Part 6A (ea.govt.nz).

person (eligible for a dispensation under the proposal). Applying a different test to specified persons would potentially give rise to unfairness and would create additional complexity when an arrangement requires both exemptions and dispensations.[14] While the Part 8 dispensation scheme is more detailed, that scheme is administered by the system operator and is for a fundamentally different purpose.

Submitter's view – notification to the Authority

27.14. One submitter recommended including a requirement for operators who are generating, distributing, or supplying energy under the exemption regime to notify the Authority.

Authority response

27.15. The Authority does not agree that a notification requirement is necessary. Part 6A dispensations will not be automatic, they must be sought from, and granted by, the Authority on a case-by-case basis. Under the proposal the Authority will publish a list of dispensations granted. There will, therefore, be adequate visibility of dispensations granted.

Submitters' views on matters out of scope

27.16. One submitter suggested that the Authority undertake a more comprehensive review of Part 6A to ensure the regime is cohesive and effective, following the transfer of provisions from the Act to the Code. It noted in particular that Part 6A purports to impose obligations on persons and entities who are not industry participants, persons acting on behalf of industry participants, or specified persons.

27.17. Another submitter raised wider concerns with Part 6A, including whether it sufficiently assesses the system security impacts of multiple new generation facilities and their interplay with the system or market.

27.18. Both submitters raised matters relating to the Act, including the definition of specified person and the lack of reference to specified persons in section 9 of the Act.

Authority's response

27.19. The Authority agrees that the wording of some of the rules in Part 6A should be updated as a consequence of Parliament's decision to move the rules from the Act to the Code. In December 2023 we published a consultation paper (as part of the 'Code amendment omnibus two" consultation) that proposed further changes to the Code to clarify who has obligations under Part 6A, in light of the permitted scope of the Code. That consultation does not revisit or propose changes in the policy underpinning the Part 6A provisions. The Authority's separate review of the regulatory settings for distribution networks is, however, considering whether and

[14] Such as the Top Energy and Ngāwhā application: Exemption Application: Top Energy Part 6A (ea.govt.nz).

when it may be appropriate to extend the rules in Part 6A to distributors' involvement in other contestable markets.[15]

27.20. The Authority acknowledges the comments in relation to the wording of the Act but notes that only Parliament can amend the Act.

The amendment will promote the efficient operation of the electricity industry

27.21. The proposed Code amendment is consistent with the Authority's statutory objectives and with section 32(1)(c) and (e) of the Act. Providing a pathway for specified persons to obtain a dispensation from the Part 6A provisions in appropriate circumstances contributes to the efficient operation of the electricity industry and the performance by the Authority of its functions by treating industry participants and specified persons subject to those provisions in a similar manner.

27.22. The arm's-length rules impose obligations designed to promote competition in the electricity industry. In some cases, however, the Authority may consider that compliance with the arm's-length rules is not necessary to, for example, promote competition in the electricity industry, or that a dispensation may better promote the efficient operation of the electricity industry, for the long-term benefit of consumers. The proposed Code amendment would ensure the Authority can thereby administer the Code in a way that best promotes the Authority's objectives. It would operate similar to the Part 8 dispensation scheme administered by the System Operator.

27.23. The Authority has granted similar exemptions (under section 90 of the Act) in the past. The proposed Code amendment would ensure a specified person can be treated in a similar way as a person in a similar position who had earlier obtained an exemption under section 90 of the Act, as these existing exemptions continue to apply.

27.24. The proposed Code amendment is expected to have no effect on the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

1.1 Interpretation

(1) In this Code, unless the context otherwise requires,—

…

Part 6A dispensation means an exclusion from compliance with Part 6A or any provisions of Part 6A granted by the **Authority** in accordance with the process set out in clause 6A.9

…

specified person has the meaning given in section 32(6) of the **Act**

…

[15] Delivering key distribution sector reform (ea.govt.nz)

Part 6A dispensations

6A.9 Authority may grant Part 6A dispensation to specified person

(1) A **specified person** may apply to the **Authority** for a **Part 6A dispensation** in respect of their involvement in two or more classes of **participant** ~~industry participant~~ that are the subject of this Part, or specific provisions of this Part.

(2) The application must be submitted in the form and by the means specified by the **Authority**.

(3) Where the **Authority** receives an application under this clause, it may grant a **Part 6A dispensation** to a **specified person** if the **Authority** is satisfied that—

(a) it is not necessary, for the purpose of achieving the **Authority's** objectives under section 15 of the **Act**, for the **specified person** to comply with this Part or the specific provisions of this Part; or

(b) granting a **Part 6A dispensation** in respect of the **specified person** would better achieve the **Authority's** objectives than requiring compliance.

(4) The **Authority** must give reasons for its decision under subclause (3).

(5) The **Authority** may grant a **Part 6A dispensation** on any terms or conditions that it reasonably considers are necessary.

(6) The **Authority** may amend or revoke a **Part 6A dispensation** granted under subclause (3) by issuing a notice that identifies the **specified person** subject to the **Part 6A dispensation** and gives reasons for the amendment or revocation, but only if the **Authority**—

(a) has given notice of the proposed amendment or revocation to the **specified person** subject to the **Part 6A dispensation** and given them a reasonable opportunity to comment; and

(b) in relation to an amendment, is satisfied that the amendment is necessary or desirable for the purpose of achieving the **Authority's** objectives in section 15 of the **Act**; and

(c) in relation to a revocation, is no longer satisfied of the matters in subclause (3).

(7) The **Authority** must publish a list of all current **Part 6A dispensations** granted under this clause.

28. CRP5-023 Change to the date default transmission agreement schedules take effect

The Authority's proposal

28.1. The Authority proposed to amend the Code to provide that the schedules in the default transmission agreement template once accepted, amended by Transpower, or determined by the Rulings Panel, be deemed to apply as a default transmission agreement from the date a participant becomes a designated transmission customer, or an earlier agreement expires or terminates.

28.2. Under the current Code provisions the default transmission agreement applies 2 months after the date a participant becomes a designated transmission customer, or an earlier agreement expires or terminates. This 2 month delay in schedules taking effect creates a risk that there is a period not covered by appropriate contractual terms.

We have decided to implement the proposal with no change to its policy intent, but with revised Code drafting

28.3. We have decided to amend the Code as proposed above with a minor change to improve the drafting.

28.4. There were no submissions on the proposal.

28.5. The Code amendment will come into force on 1 March 2024.

The amendment will promote the efficient operation of the electricity industry

28.6. The amendment is consistent with the Authority's statutory objectives, and section 32(1)(c) of the Act, because it will contribute to the efficient operation of the electricity industry.

28.7. The Code amendment promotes the efficient operation of the electricity industry by providing clarity about the contractual terms that apply under transmission agreements between designated transmission customers and Transpower for all periods that a participant is a designated transmission customer.

28.8. Without the Code amendment there is a 2-month gap which creates contractual uncertainty, potential for dispute, and therefore inefficiency and potential additional cost.

28.9. The Code amendment is not expected to have any significant effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

12.10 Default transmission agreements

…

(4) If the **designated transmission customer** accepts the schedules as proposed by **Transpower** under subclause (2)(b)(v) to (viii), or as amended by **Transpower** under subclause (2)(c), the draft **default transmission**

agreement proposed under subclause (2)(b)(v) to (viii), or as amended by **Transpower** under subclause (2)(c), (as applicable) is deemed to apply ~~applies~~ as a **default transmission agreement** from the date ~~that is 2 months after~~ the **participant** became a **designated transmission customer**.

…

(6) If a dispute is referred to the **Rulings Panel**, under subclause (5)—

(a) the **default transmission agreement** as determined by the **Rulings Panel** in accordance with clauses 12.45 to 12.48 is deemed to apply ~~applies~~ between **Transpower** and the **designated transmission customer** from the date ~~that is 2 months after~~ the **participant** became a **designated transmission customer** ~~or the date on which the **Rulings Panel** makes its determination or its determination is expressed to come into effect, whichever is later~~; and

(b) until ~~if~~ the **Rulings Panel** makes ~~has not made~~ a determination, ~~by the date that is 2 months after the **participant** became a **designated transmission customer**,~~ the draft **default transmission agreement** proposed under subclause (2)(b)(v) to (viii), or as amended by **Transpower** under subclause (2)(c), (as applicable) is deemed to apply as a **default transmission agreement** from the date the **participant** became a **designated transmission customer** ~~applies as a **default transmission agreement** until the date on which the **Rulings Panel** makes its determination or the determination comes into effect~~.

…

12.13 Expiry or termination of transmission agreements

If a **participant** and **Transpower** are party to an existing **transmission agreement** or written agreement to which clause 12.49 applies, and do not enter into a new **transmission agreement** before the existing agreement expires or terminates, upon expiry or termination of the ~~relevant~~ existing agreement the provisions in clause 12.10 apply with all necessary modifications.

~~If a **transmission agreement**, or an existing written agreement to which clause 12.49 applies, expires or terminates on or after the date that is 2 months after the **participant** became a **designated transmission customer** and **Transpower** and the **designated transmission customer** do not enter into a new **transmission agreement** within 2 months of that date, the following procedure applies:~~

~~(a) within 10 **business days**, the **designated transmission customer** must provide **Transpower**, at the address for service for **Transpower** registered at the New Zealand Companies Office, with—~~

~~(i) the **designated transmission customer's** full name; and~~

~~(ii) the **designated transmission customer's** physical address, postal address and electronic address to which notices under the **default transmission agreement** are to be sent; and~~

(iii) the name of the contact person of the **designated transmission customer** to whom such notices should be addressed:

(b) within 20 business days of receipt of the **designated transmission customer's** details under paragraph (a), **Transpower** must provide the **designated transmission customer** with a draft **default transmission agreement** completed in accordance with the **default transmission agreement template**, which must include—

(i) the **designated transmission customer's** details as provided under paragraph (a); and

(ii) **Transpower's** physical address, postal address and electronic address to which notices under the **default transmission agreement** are to be sent; and

(iii) the contact person to whom notices under the **default transmission** agreement should be addressed; and

(iv) **Transpower's** designated bank account for the purposes of receiving payments under the **default transmission agreement**; and

(v) draft Schedules 1 and 2, which set out the **connection locations**, **points of service** and **points of connection** of the assets owned or operated by the **designated transmission customer** to the **grid**; and

(vi) a draft Schedule 4 setting out, in the same form as the diagram in Schedule 4 of the default transmission agreement template, the configuration of the connection assets in relation to each connection location listed in Schedule 1; and

(vii) a draft Schedule 5 setting out proposed service levels for each connection location listed in Schedule 1 determined in accordance with clause 12.10(3); and

(viii) if applicable, a draft Schedule 6, including identifying the facilities, facilities area, and land that are to be subject to the access and occupation terms set out in that schedule and the licence charges under that schedule:

(c) the **designated transmission customer** and **Transpower** may discuss the schedules proposed under paragraph (b)(v) to (viii), as a result of which **Transpower** may amend any of the schedules:

(d) the **designated transmission customer** must advise **Transpower** in writing within 20 business days of receiving the draft **default transmission agreement** under paragraph (b) above whether—

(i) it accepts the schedules as proposed by **Transpower** under paragraph (b)(v) to (viii); or

(ii) if **Transpower** has amended any of those schedules under paragraph (c), it accepts the schedules as amended:

(e) if the designated transmission customer accepts the schedules as proposed by **Transpower** under paragraph (b)(v) to (viii), or as amended by **Transpower** under paragraph (c), the **default transmission agreement** applies as a binding contract between **Transpower** and the **designated transmission customer**, effective from the date on which the previous **transmission agreement** or existing written agreement to which clause 12.49 applies expired or was terminated:

(f) if **Transpower** and a **designated transmission customer** are unable to agree on the terms of any of the schedules to a **default transmission agreement** proposed by **Transpower** under paragraph (b)(v) to (viii), or as amended by **Transpower** under paragraph (c), either party may refer the matter to the Rulings Panel for determination under clauses 12.45 to 12.48:

(g) if a dispute has been referred to the Rulings Panel in accordance with paragraph (f)—

(i) the draft **default transmission agreement** provided under paragraph (b) applies as a **default transmission agreement** between **Transpower** and the **designated transmission customer**, effective from the date on which the previous **transmission agreement** or existing written agreement to which clause 12.49 applies expired or was terminated, until the date on which the Rulings Panel makes its determination or the determination comes into effect; and

(ii) the **default transmission agreement** as determined by the Rulings Panel in accordance with clauses 12.45 to 12.48 applies from the date determined by the Rulings Panel

29. More flexibility in the calculation of regional net private benefit in the transmission pricing methodology

The Authority's proposal

29.1. In May 2023 the Authority consulted on amendments to correct issues in the new transmission pricing methodology (TPM).[16] One of the issues identified related to allowing Transpower more flexibility in the calculation of regional net private benefits (NPBs) under the price-quantity method for Benefit Based Charge (BBC) allocation in the TPM. In response to stakeholder feedback, the Authority decided to provide additional information and time for submitters to provide feedback.[17]

29.2. The Authority proposed to make three amendments to the price-quantity method (standard method) in the TPM: [18]

(a) making the calculation of market regional NPB for a market benefit-based investment (BBI) discretionary for Transpower; making the calculation discretionary aligns the calculation for market BBIs with the calculations for BBIs with other types of benefit (ancillary service regional NPB, reliability regional NPB, other regional NPB)

(b) in cases where dollar and MW-denominated values of regional NPB need to be combined, not requiring Transpower to calculate market regional NPB under clause 52 based on price; and

(c) clarifying clause 50(1)(a) by adding that Transpower must determine a market BBI's modelled region based on the outcomes of the modelling under clause 49 except to the extent Transpower determines that basing the modelled regions on those outcomes would not support the objective in clause 50(1)(d).

We have decided to implement the proposal without change

29.3. We have decided to amend the Code as proposed above.

29.4. We had one submission from the independent electricity generators association (IEGA) that stated "We suggest this is more than a 'technical' correction to the Code. A worked example would be useful to demonstrate the impact on transmission customers. Further consultation is warranted." We extended the consultation by a further 4 weeks and provided supplementary information. No further submissions were received."

29.5. The Code amendment will come into force on 1 March 2024.

---

16 See: Consultation Paper: Amendments to correct issues in the new TPM.

17 See: Supplementary information for further consultation on proposed TPM correction amendment issue 5 (ea.govt.nz).

18 Refer to 'Issue 5: More flexibility in the calculation of regional net private benefit' in Consultation Paper: Amendments to correct issues in the new TPM.

The amendment will promote the efficient and competitive operation of the electricity industry

29.6. The Code amendments will help ensure Transpower is not bound to calculate regional NPB under the price-quantity method in ways that involve unnecessary administrative effort and will clarify how the TPM is applied to ensure its application results in allocations that are broadly proportionate to positive NPB. This will support the efficiency limb of the Authority's statutory objective.

29.7. The Code amendment is not expected to have any significant effect on competition and the reliable supply of electricity, or on the interests of domestic and small business consumers in relation to the supply of electricity to those consumers.

Final amendment

29.8. The Code drafting for this amendment is published separately on the Authority's website.

30. Techncial and non-controversial amendments

30.1. The consultation paper included a list of 89 amendments that the Authority is satisfied on reasonable grounds are technical and non-controversial (TNC) under section 39(3)(a) of the Act. These amendments do not require consultation or a regulatory statement but were included in the consultation paper for comment.

30.2. We have decided to make these TNC amendments under section 39(3)(a) of the Act, other than one TNC which we are satisfied is not required. We have made small changes and additions to some TNCs (indicated in redlining in the table below), including in response to a submission as discussed below. We are satisfied on reasonable grounds these further changes and additions are also technical and non-controversial.

30.3. The Code amendments will come into force on 1 March 2024.

Submissions and the Authority's response

30.4. We received feedback from one submitter on the TNC amendments, who made two comments.

Submitter's view – drafting error

30.5. The submitter noted that proposed TNC 38 contained an error in the formula referred to P_o but should be P_b.

Authority response

30.6. The Authority agrees this was an error and has corrected it below, but notes it was an error in the consultation paper and not in the current Code provision or the proposed TNC amendment (so is not redlined below).

Submitter's view – updating the reference to the Authority's statutory objectives

30.7. The submitter also disagreed with proposed TNC 54, which would have updated the existing references in clause 3.2A (market operation service providers to assist Authority to give effect to Authority's statutory objective) to refer to the Authority's 'objectives in section 15' (reflecting the additional objective inserted into the Act in 2022). The submitter did not agree that the change should be made, as the system operator as a market operation service provider does not deal directly with small consumers, or that the change is 'technical and non-controversial'.

Authority response

30.8. While the Authority does not agree with the submitter's view that the proposed the change should not be made, it does agree that any change to clause 3.2A to expand service providers' obligations should follow the Authority's standard Code amendment process. The Authority has therefore decided to amend this proposal to refer only to the Authority's main objective in section 15. This would retain the existing obligation on market operation service providers.

Final amendment

	Clause	Issue	Proposed amendment
Part A – Proposed amendments to individual clauses			
1.	1.1(1) definition of 'domestic consumer'	This term is not used in the Code and the definition is inconsistent with the definition of 'domestic consumer' in the Electricity Industry Act 2010.	**domestic consumer** *[Revoked]*~~means a person who acquires **electricity** for personal, domestic or household use or consumption and does not acquire **electricity** or hold himself or herself out as acquiring **electricity** for the purpose of resupplying it in trade or consuming it in the course of production or manufacture~~
2.	1.1(1) definition of 'EIE System'	Reference to 'Authority' should be in bold because it is a defined term.	**EIE System** means an Electricity Information Exchange System being any system prescribed by the **Authority** under clause 11.32EG
3.	2.16(2)(a)	Reference to 'Code' should not be in bold as it is not a defined term.	(2) The **Authority** may specify information under subclause (1) only for the purposes set out in section 45(a) of the **Act** being to carry out the **Authority's** monitoring functions which are to— (a) monitor compliance with the **Act**, the regulations and the Code under section 16(1)(c) of the **Act**; …
4.	2.16(3)	Reference to 'Code' should not be in bold as it is not a defined term. Reference to 'Authority' should be in bold because it is a defined term.	(3) The **Authority** may not specify information under subclause (1) for the purpose of investigating or enforcing compliance with the **Act**, the regulations and the Code …
5.	7.4(2)	Reference to clause 7.19 should be a reference to clause 7.22. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2) Clauses 7.13 to 7.22~~7.19~~ apply to any amendment or replacement of the **security of supply forecasting and information policy** or **emergency management policy**.
6.	7.16(4)(b)	Replace 'sub-clause' with 'subclause' and unbold the full stop. This fixes a drafting error identified with the Electricity Industry Participation Code	(b) raise any issues it has identified under subclause ~~sub-clause~~ (2) with the **system operator**.

		Amendment (System Operation Documents) 2023.	
7.	7.19(1)	Reference to clauses 7.16(5)(a) and 7.18(4)(a) should be references to 7.16(4)(a) and 7.18(3)(a), and reference to clause 7.20 should be a reference to clause 7.21. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(1) The **Authority's** consent to consultation under subclause 7.16(~~4~~5)(a) or 7.18(~~3~~4)(a) or to direct the **system operator** under clause 7.17(1) does not affect the **Authority's** decision regarding approval of a **system operation document** under clause ~~7.20~~7.21.
8.	7.19(2)–(3)	Reference to clause 7.19 should be a reference to clause 7.20, and other amendments to these paragraphs fix a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2) If the **system operator** continues with a proposal under clauses 7.18(1)(c) or 7.18(4)(b), the **system operator**: (a) does so with the risk that the **Authority** may decide not to issue a notice to adopt the amendment under section 131B(2) of the **Act** or to not progress the amendment as a Code amendment under section 38 of the **Act**; (b) must advise the persons it consults ~~consulted~~ with under clause 7.20~~7.19~~ that the **Authority** has not consented to the consultation ~~under this clause~~ and that the risk described in paragraph (a) arises. (3) Subclause (2)(a) does not prevent the **Authority** from deciding to not issue a notice to adopt an amendment under section 131B(2) of the **Act** or to not progress the amendment as a Code amendment under section 38 of the **Act**.
9.	7.21(1)	Reference to subclause 7.20(4) should be a reference to subclause 7.20(5)	(1) Following consultation, or if clause 7.20(5)~~7.20(4)~~ applies, the **system operator** must provide the **Authority** with a report that sets out the following: (a) the information required by clause 7.20(2)(a), regardless of whether or not consultation was

				carried out, but incorporating any changes made following consultation: (b) a summary of any submissions received and the **system operator's** response to each: (c) a list of any changes made to the proposed amendments to the **system operation document** after consultation and the reasons for the changes: (d) if clause 7.20(5)~~7.20(4)~~ applies, the reasons why the **system operator** considered that consultation was not required: (e) a final draft of the proposed amendments to the **system operation document** (either as amendments to the **system operation document** or a replacement **system operation document**).
10.	8.10(2)	Reference to clause 7.19 should be a reference to clause 7.22. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2)	Clauses 7.13 to 7.22~~7.19~~ apply to any amendment or replacement of the **policy statement**.
11.	8.42(2)	Reference to clause 7.19 should be a reference to clause 7.22. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2)	Clauses 7.13 to 7.22~~7.19~~ apply to any amendment or replacement of the **procurement plan**.
12.	Clause 6(2) of Schedule 8.1	Reference to clause 7.18 should be a reference to clause 7.22. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2)	If changes are required to the **procurement plan**, the draft decision must be conditional on the **procurement plan** being amended appropriately in accordance with clauses 7.13 to 7.22~~7.18~~.

13.	Clause 2(2) of Schedule 8.6	Reference to clause 7.18 should be a reference to clause 7.22. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	(2) Clauses 7.13 to 7.22~~7.18~~ apply to any amendment or replacement of the **AUFLS technical requirements report**.
14.	Row left intentionally blank		
15.	9.2	Subclauses (2) and (3) should be revoked. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	**9.2 System operator must prepare and publish system operator rolling outage plan** (1) The **system operator** must prepare and **publish** a **system operator rolling outage plan**. (2) *[Revoked]*~~Before **publishing** a **system operator rolling outage plan** the **system operator** must submit to the **Authority** for approval a **draft system operator rolling outage plan**.~~ (3) *[Revoked]*~~Clause 7.5(3) to (11) applies to the approval of the **system operator rolling outage plan** by the **Authority** as if references to the **security of supply forecasting and information policy** and the **emergency management policy** were a reference to the **system operator rolling outage plan**.~~
16.	9.3	This clause requires amendment to fix a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	**9.3 Incorporation of system operator rolling outage plan by reference** (1) The **system operator rolling outage plan** is incorporated by reference in this Code~~ in accordance with section 32 of the **Act**~~. (2) Clauses 7.13 to 7.22 apply to any amendment or replacement of the **system operator rolling outage plan**.~~ Subclause (1) is subject to Schedule 1 of the **Act**, which includes a requirement that the **Authority** must give notice in the Gazette before an amended or substituted **system operator rolling outage**

				~~**plan** becomes incorporated by reference in this Code.~~
17.	9.5	This clause should be revoked. This fixes a drafting error identified with the Electricity Industry Participation Code Amendment (System Operation Documents) 2023.	Revoke clause 9.5	
18.	10.25(2)(c)	Reference to 'certification' should be in bold as it is a defined term.		(c) within 5 **business days** after the date of **<u>certification</u>** of each **metering installation**, advise the **reconciliation manager** of— (i) the **participant identifier** of the **metering equipment provider** for the **metering installation**; and (ii) the **<u>certification</u>** expiry date of the **metering installation**.
19.	10.33B(a)	The words 'electrically disconnect' should be in bold as this is a defined term.		Unless a **trader** is recorded in the **registry** as being responsible for an **ICP** or is meeting its obligation under clause 10.33A(5)(a) in respect of an **ICP**, the **trader** must not— (a) **<u>electrically disconnect</u>** the ICP; or …
20.	11.30A(1)	The word 'Act' should be in bold as this is a defined term.	(1)	Each **retailer** and **distributor** must provide information in the circumstances specified in subclauses (2) and (3) about the dispute resolution scheme identified under clause 3 of Schedule 4 of the **<u>Act</u>**.
21.	11.32E(c)	Update reference from Privacy Act 1993 to Privacy Act 2020.		(c) the Privacy Act <u>2020</u>~~1993~~, where applicable.
22.	11.32EB(1)(b)	Update reference from Privacy Act 1993 to Privacy Act 2020.		(b) that complying with the request would otherwise cause the **retailer** to breach its obligations under the Privacy Act <u>2020</u>~~1993~~ (where it applies); or

23.	Clause 10 of Schedule 11.1	Subclauses (3) and (4) are transitional provisions which are now spent and can be revoked.	**10 Traders to change ICP information provided to registry manager** (1) If information about an **ICP** provided to the **registry manager** in accordance with clause 9 changes, the **trader** who trades at the **ICP** must give written notice to the **registry manager** of the change. (2) The **trader** must give the notice no later than 5 **business days** after the change. (3) *[Revoked]*~~Despite subclause (2), if the trader is not able to give the notice within the timeframe specified in subclause (2) because of the implementation of the Electricity Industry Participation (Metering Arrangements) Code Amendment 2011, the trader may give the notice up to 20 business days after the change.~~ (4) *[Revoked]*~~Subclause (3) and this subclause expire 20 business days after the date on which the Electricity Industry Participation (Metering Arrangements) Code Amendment 2011 comes into force.~~
24.	12.60	Reference to 'Authority' should be in bold because it is a defined term.	The **Authority** may initiate a review of the **grid reliability standards** for any reason consistent with the statutory objective of the **Authority** in section 15 of the **Act** and the purpose and principles set out in clauses 12.56 and 12.57.
25.	12.67	Reference to 'Authority' should be in bold because it is a defined term.	The **Authority** may initiate a review of the **core grid determination** for any reason consistent with the statutory objective of the **Authority** in section 15 of the **Act** and the purpose and objectives set out in clauses 12.64 and 12.65 respectively.
26.	13.69B(1)(g)	Reference to 'losses' should be in bold because it is a defined term.	(1) The **system operator** must use the following inputs to prepare a **dispatch schedule**: …

			(g) information from the **grid owner** (clauses 13.29 to 13.34) and revised information from the **grid owner** (clause 13.33) about— (i) the AC transmission system configuration, capacity and **losses**; and (ii) the capability of the **HVDC link** including its **configuration**, capacity, **losses**, the direction of any transfer limit, and any minimum or maximum transfer limits; and (iii) transformer configuration, capacity and **losses**:
27.	Clauses 17(b) and 17(c) of Schedule 13.3	Reference to 'location factor' should not be in bold because this term is not intended to have the defined meaning applied in this context. Clause 1.1(1) defines 'location factor' only for the purposes of subpart 5 of Part 13. References in paragraphs (b) and (c) should not be bolded, for consistency with references to 'location factor' used elsewhere in this clause 17 of Schedule 13.3.	**17 What modelling system must take into account when calculating prices** The modelling system must calculate the prices in clause 16 consistent with the objective function, and consistent with the quantities of **electricity** and **instantaneous reserve** scheduled, while meeting all constraints, and in particular— … (b) subject to the rights of the **system operator** described in clause 13, a **generator** at a **grid injection point** must be scheduled to generate a quantity of **electricity** from a price band if the price determined by the modelling system at the **reference point** multiplied by the marginal location factor at that **grid injection point** is greater than or equal to the price offered in that price band; and (c) subject to the rights of the **system operator** described in clause 13, a **generator** at a **grid injection point** must not be scheduled to generate a quantity of **electricity** from a price band if the price determined by the

				modelling system at the **reference point** multiplied by the relevant marginal location factor at that **grid injection point** is less than the price offered in that price band; and …
28.	Clause 5(1)(d) of Schedule 12A.1, Appendix C	Update reference from Privacy Act 1993 to Privacy Act 2020.		(d) … provided the Distributor ensures that any applicable provisions of the Privacy Act 2020~~1993~~ are complied with in respect of the transfer;
29.	Clause 7 of Schedule 12A.1, Appendix C	Update reference from Privacy Act 1993 to Privacy Act 2020.	(1) (2)	Each party acknowledges and agrees that it must comply at all times with the Privacy Act 2020~~1993~~ to the extent it applies in relation to the Consumption Data. The Trader must make any disclosures, and obtain any authorisations, needed under the Privacy Act 2020~~1993~~ to enable the Distributor to use the Consumption Data for the Permitted Purposes and Other Purposes.
30.	13.3D(6)	Reference to 'Authority' should be in bold because it is a defined term.	(6)	The **Authority** must consult with the **participants** referred to in subclause (5)(a) on any proposed amendments to the terms and conditions specified and **published** by the **Authority** under subclause (2).
31.	13.6	Pricing manager functions have been discontinued and references revoked from the Code by the Electricity Industry Participation Code Amendment (Real Time Pricing) 2022 (RTP amendment). That Code amendment transferred the remaining pricing manager functions to the clearing manager. Reference to the pricing manager in clause 13.6(2) should be replaced with a reference to the clearing manager, consistent with the		**13.6 Requirements for generators when submitting offers** (1) Each **generator** with a **point of connection** to the **grid**, and each **embedded generator** required by the **system operator** to submit an **offer** under clause 8.25(5), must— (a) submit to the **system operator** an **offer** for each **trading period** in the **schedule period**, under which the **generator** is prepared to sell **electricity** to **the clearing manager**; and (b) ensure that the **system operator** receives an **offer** at least 71 **trading periods** before the

		underpinning policy of the RTP amendment, and the reference to pricing manager in clause 16.6(5) should be omitted entirely as that clause already refers to the clearing manager. These references to the pricing manager were excluded inadvertently from the RTP amendment.	beginning of the **trading period** to which the **offer** relates. (2) Despite subclause (1), a **generator** must give at least 5 **business days'** notice in writing to the **system operator** and the **clearing ~~pricing~~ manager** before the **generator** makes an **offer** for the 1st time in respect of the **generating plant** that is the subject of the **offer**. (3) The notice must state— (a) the **point of connection** to the **grid** at which **electricity** generated by the **generator** is sold to the **clearing manager** under clause 14.3 or 14.4; and (b) whether the **generating plant** is an **intermittent generating station**. (4) A **generator** must comply with any request from the **system operator** for information concerning **generating plant** that is the subject of a notice under subclause (2) if the **system operator** requires the information for the purposes of scheduling and **dispatch** in accordance with this Code. (5) Despite subclause (1), if a **generator** intends to permanently cease to submit **offers** to the **system operator** in respect of any **generating plant**, the **generator** must give at least 5 **business days'** notice in writing to the **system operator**~~, the pricing manager,~~ and the **clearing manager**.
32.	13.173A(2)	Reference to 'Authority' should be in bold because it is a defined term.	(2) The **clearing manager** must, no later than 1700 hours on the 2nd **business day** following the **trading day** on which the written notice referred to in subclause (1) was given, provide a report to the **Authority** that includes the following:
33.	13.182A(2)	The clearing manager is responsible for making interim prices available on WITS under clause 13.167, but this clause does not require the clearing manager to make final prices available on WITS	(2) If this clause applies, the relevant **interim price** or **interim reserve price** becomes a **final price** or **final reserve price** (as applicable) when the **clearing manager** makes the **final price** or **final reserve price** available on **WITS**, which must be after 1300

		or specify when it must do so in circumstances where the clearing manager has not given the Authority any notice of a pricing error. The real time pricing project placed the obligation on the clearing manager but the clause wording does not make it clear that the clearing manager must make the change on WITS to switch the interim price to a final price.	hours but no later than ~~at~~ 1400 hours on the 1st **business day** following the **trading day** on which the **clearing manager** made the **interim price** or **interim reserve price** available on **WITS**.
34.	13.182B(2)	The clearing manager is responsible for making interim prices available on WITS under clause 13.167, but this clause does not require the clearing manager to make final prices available on WITS or specify when it must do so in circumstances where the clearing manager has given the Authority notice of a pricing error and the Authority has advised that no pricing error has occurred. The real time pricing project placed the obligation on the clearing manager but the clause wording does not make it clear that the clearing manager must make the change on WITS to switch the interim price to a final price.	(2) If this clause applies, the **relevant interim price** or **interim reserve price** becomes a **final price** or **final reserve price** (as applicable) when the **clearing manager** makes the **final price** or **final reserve price** available on **WITS**, which must be as soon as practicable after the **Authority** has made available on **WITS** a notice under clause 13.173C(2) advising that no **pricing error** has occurred.
35.	13.192(1)(c)	Clause is not clear as to what constitutes a constrained off situation for nominated dispatch bids.	(1) A **constrained off situation** occurs when— … (c) ~~all~~ load to which a **nominated dispatch bid** (other than a **dispatch notification purchaser bid**) applies is not **dispatched**, and where ~~despite~~ the price in the **nominated dispatch bid** is ~~being~~

			above the **final price** at the relevant **GXP**.
36.	13.194(2)	Clause is not clear that the bid quantity (Q_b) in the formula is only where the bid price is above the final price. The intent of the constrained off calculations was consulted as part of the real time pricing project, but the Code drafting contains errors that need to be corrected. This change reflects the way the clearing manager is calculating constrained off amounts.	(2) If a **constrained off situation** occurs in relation to a **dispatch-capable load station** during a **trading period**, the **clearing manager** must calculate the **constrained off amounts** for each **dispatch-capable load station**, for each affected **nominated dispatch bid** price band, using the following formula: $ConOffAmt_{disp} = ConOffQ * (-P_b - P_f)$ where $ConOffAmt_{disp}$ is the **constrained off amount** for a **dispatch-capable load station** for the **nominated dispatch bid** price band ConOffQ is the amount in **MWh** by which Q_b exceeds the highest of Q_{disp} and Q_{rec} where Q_b is the quantity, in **MWh**, in the **nominated dispatch bid** ~~price~~ band <u>where the bid price is above the final price</u> Q_{disp} is the **dispatched** quantity, in **MWh** in the **trading period**, calculated under subclause (3), **dispatched** for the **nominated dispatch bid** price band in the **trading period** Q_{rec} is the **reconciled quantity** provided by the **reconciliation manager** under clause 15.20C allocated by the **clearing manager** to the **nominated dispatch bid** price band in the **trading period** P_b is the price bid for the **nominated dispatch bid** price band for the **dispatch-capable load station** that was constrained off P_f is the **final price** for the **trading period** at the **grid exit point**.
37.	13.202(1)(d)	Clause is not clear what constitutes a constrained on situation for nominated dispatch bids.	(1) A **constrained on situation** occurs when— …

			(d) ~~any~~ load to which a **nominated dispatch bid** (other than a **dispatch notification purchaser bid**) applies is **dispatched**~~,~~ and ~~despite~~ the price in the **nominated dispatch bid** is ~~being~~ below **the final price** at the relevant **GXP**.
38.	13.204(1)(aa)	There is a drafting error in the formula for ConOnQ and a missing term in the calculation. The intent of the constrained on calculations was consulted on as part of the real time pricing project, but the Code drafting contains errors that need to be corrected. This change reflects the way the clearing manager is calculating constrained on amounts.	(aa) the **clearing manager** must calculate the **constrained on amounts** for a **constrained on situation** described in clause 13.202(1)(d) for each **dispatch-capable load station** for each affected **nominated dispatch bid** price band, using the following formula: $ConOnAmt = ConOnQ^* (P_f - P_b)$ where ConOnAmt is the **constrained on amount** for a **dispatch-capable load station** for the **nominated dispatch bid** price band ConOnQ is the amount in **MWh** by which ~~is~~ the lowest ~~smaller~~ of Q_{disp} and Q_{rec} exceeds Q_b where Q_b is the quantity, in **MWh**, in the **nominated dispatch bid** price band where the bid price is below the final price …
39.	13.218(2)	Reference to 'Authority' should be in bold because it is a defined term.	(2) Despite subclause (1), a **party** specified in that subclause may, at the **Authority's** discretion, not be required to submit certain information …
40.	13.273(1)(a)	Reference to 'Authority' should be in bold because it is a defined term.	(a) provide a clearance by notice in writing in respect of the **materially large contract** if it is satisfied that either clause 13.269(1)(a) or 13.269(1)(b) is met, in which case the **Authority** must specify which clause it is satisfied in respect of;
41.	13.273(2)	Reference to 'Authority' should be in bold because it is a defined term.	(2) The **Authority** may use the information provided to it in the application and any other information the **Authority** considers relevant for the purposes of

			its decision, including any further information the **Authority** requests from the **generator**.
42.	13.281(2)	Reference to 'Authority' should be in bold because it is a defined term.	(2) If the **Authority** considers that the non-compliance of the **generator** is minor or there is any other reason in the **Authority's** view that means the **generator** should not pay the costs of the audit …
43.	15.36	Subclause (1) requires adjustments 'using the technique set out in subclause (3) specified by the Authority'. The words 'specified by the Authority' are unnecessary as the technique is set out in subclause (3).	**15.36New Zealand Daylight Time adjustment techniques** (1) **Submission information** provided to, and **reconciliation information** provided by, the **reconciliation manager** must, if applicable, be adjusted for **NZDT** using the technique set out in subclause (3) ~~specified by the **Authority**~~. (2) Any information exchanged between **participants** that contains **trading period** specific data must, if applicable, be adjusted for **NZDT** in accordance with subclause (3). (3) A daylight savings adjustment must be made by using the "**trading period** run on technique", which requires that daylight saving adjustment periods are allocated as consecutive **trading periods** within the relevant day, in the sequence that they occur. …
44.	Clause 13 of Schedule 15.4	Paragraph (c) specifies an alternative scenario to that specified in paragraphs (a) and (b). Where paragraph (c) applies, the chapeau to clause 13 does not apply. Current drafting is ambiguous. The clause needs to be divided into two subclauses and a small consequential change needs to be made to new subclause (2) to maintain the intended meaning.	**13 Balancing area derived profiles approved in accordance with Appendix 1 of Schedule 15.5** (1) The **reconciliation manager** must calculate the **trading period** information by applying the **balancing area** derived **profile** code specified in the submission file provided by the **reconciliation participant**, if— (a) the **profile** code has been approved by the **Authority** for use as a **balancing area**

			derived **profile** in accordance with Schedule 15.5; and (b) the **profile owner** has given written notice to the **reconciliation manager** of the approved **profile** code, and ~~that~~ the **profile owner** has authorised the **reconciliation participant** to use the approved **profile** code.~~; and~~ (2)~~(c)~~ I~~i~~f the **Authority** has not approved the **profile** code, or submitted the **profile** to the **reconciliation manager** in accordance with clause 12(1) of Appendix 1 of Schedule 15.5, the **reconciliation manager** must calculate the **trading period** information using ~~use~~ the final residual **profile** shape as defined in Schedule 15.5.
45.	17.80	This transitional provision refers to the wrong clauses in the rules and the Code.	**17.80 Traders to provide ICP information to registry** Information provided by a trader to the registry under clause 3~~2~~ of schedule E1 of part E of the **rules** that had not been changed by the trader under clause 3A~~2A~~ of schedule E1 of part E of the **rules** immediately before this Code came into force, is deemed to be information provided to the registry under clause 9~~7~~ of Schedule 11.1.
46.	17.108	This transitional provision deems a certification given before the Code came into force as 'certification given under clause 12.35'. However, that clause now refers to 'confirmation' not 'certification'	**17.108 Increased services and reliability** A certification given under rule 5.1 of section II of part F of the **rules** immediately before this Code came into force, is deemed to be confirmation ~~a certification~~ given under clause 12.35.
47.	17.137	This transitional provision is no longer required. It deems backup procedures in place before the Code came into force as 'backup procedures specified by the market administrator' for the purposes of clauses 13.23, 13.36, 13.52, 13.55, 13.67 and 13.191. Those clauses have	Revoke clause 17.137

		now either been revoked or amended so they no longer require the market administrator to specify backup procedures.	
48.	17.138	This transitional provision is no longer required. It deems backup procedures in place before the Code came into force as 'backup procedures specified by the market administrator under clause 13.211'. That clause has now been amended so it no longer requires the market administrator to specify backup procedures.	Revoke clause 17.138
49.	17.169	This transitional provision is no longer required. It deems information stipulated by the pricing manager before the Code came into force as in the manner and form for half-hour metering information 'stipulated by the pricing manager under clause 13.138'. That clause has now been amended so that it no longer refers to the pricing manager stipulating half-hour metering information.	Revoke clause 17.169
50.	17.184	This transitional provision is no longer required. It deems a list of values provided to the pricing manager before the Code came into force as a list of values provided under clause 13.189. The pricing manager's functions have since been discontinued and in any event this transitional provision is no longer required.	Revoke clause 17.184
Part B – Proposed changes to reflect the amendments made to the Act in 2022			
51.	2.19(1)(b)	Clause needs updating to reflect the Authority's	(1) Before **publishing** a notice under clause 2.16, the **Authority** must be satisfied that—

		additional objective in section 15(2) of the Act.	(a) the benefits of the **Authority** obtaining the information outweigh the costs of the information requirements set out in the proposed notice; and (b) the information requirements set out in the proposed notice promote one or more of the **Authority's** objectives in section 15 of the **Act**.
52.	2.22(1)(b)	Clause needs updating to reflect the Authority's additional objective in section 15(2) of the Act.	(1) If a **participant** identifies to the **Authority** any information under clause 2.21, the **Authority** will determine whether— … (b) if there are reasons to keep the information confidential as determined by the **Authority**, those reasons are outweighed by other considerations which render it desirable for the **Authority** to make all or any part of the information publicly available in order to give effect to one or more of the **Authority's** objectives ~~of the **Authority**~~ in section 15 of the **Act** …
53.	2.22(5)(a)	Clause needs updating to reflect the Authority's additional objective in section 15(2) of the Act.	(5) Subclause (4) does not prevent the **Authority** from— (a) using the information identified under clause 2.21 for any purpose in connection with one or more of the ~~objective of the~~ **Authority's** objectives ~~out~~ in section 15 of the **Act** or the **Authority's** functions in section 16 of the **Act** or section 14 of the Crown Entities Act 2004; …
54.	3.2A	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	**3.2A Market operation service providers to assist Authority to give effect to Authority's main statutory objective** (1) Each **market operation service provider** must perform its obligations under this Code in a way that assists the **Authority** to give effect to the **Authority's** main ~~statutory~~ objective in section 15 of the **Act**.

			(2) The **system operator** must progressively increase the extent to which it assists the **Authority** to give effect to the **Authority's** main ~~statutory~~ objective in section 15 of the **Act**. …
55.	12.60	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	The **Authority** may initiate a review of the **grid reliability standards** for any reason consistent with the main ~~statutory~~ objective of the Authority in section 15 of the **Act** and the purpose and principles set out in clauses 12.56 and 12.57.
56.	12.67	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	The **Authority** may initiate a review of the **core grid determination** for any reason consistent with the main ~~statutory~~ objective of the Authority in section 15 of the **Act** and the purpose and objectives set out in clauses 12.64 and 12.65 respectively.
57.	12.78	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	The purpose of the **transmission pricing methodology** is to ensure that, subject to Part 4 of the Commerce Act 1986, the full economic costs of **Transpower's** services are allocated in accordance with the **Authority's** main objective in section 15 of the **Act**.
58.	12.79	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	**12.79 Main s~~S~~tatutory objective** **Transpower**, in developing the **transmission pricing methodology**, and the **Authority**, in approving the **transmission pricing methodology**, must assess the **transmission pricing methodology** against the **Authority's** main objective in section 15 of the **Act**.
59.	12.81(2)	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	(2) The process and guidelines must be developed in accordance with the **Authority's** main objective in section 15 of the **Act**.
60.	12.89(1)	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main	(1) **Transpower** must develop its proposed **transmission pricing methodology** consistent with—

		objective in section 15(1) of the Act.	(a) any determination made under Part 4 of the Commerce Act 1986; and (b) the **Authority's** main objective in section 15 of the **Act**; and (c) any guidelines **published** under clause 12.83(b).
61.	Clause 4(2)(a) of Schedule 12A.4	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act. This preserves the effect of the provisions prior to the 2022 Amendments. This does not prevent future Code amendments to give effect to the Authority's additional objective.	(2) The principles are that a **distributor's operational terms** must— (a) be consistent with the **Authority's** main objective ~~set out~~ in section 15 of the **Act**; …
62.	Clause 4(e) of Schedule 13.4	Clause needs updating to clarify that the reference to the Authority's statutory objective is a reference to the main objective in section 15(1) of the Act.	Before the Authority approves an application, it must take into account— (e) the **Authority's** main objective in section 15 of the **Act**.
Part C – Proposed amendments to Part 6A of the Code (introduced by the 2022 amendments to the Act)			
63.	6A.1	a. Reference to 'distributor' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. The term 'retailer' is defined in clause 1.1(1) as well as in clause 6A.2, but as we explain below the definitions are effectively the same. As a result, we propose deleting the definition of 'retailer' from clause 6A.2 below and bolding the term 'retailer' in clause 6A.1. c. Add semicolon and 'or' to paragraph (2)(a)(i) in accordance with the Authority's normal drafting approach for the Code.	(1) The purpose of this Part is to promote competition in the electricity industry by restricting relationships between a **distributor** and a generator or a **retailer**, where those relationships may not otherwise be at arm's length. (2) In general terms, this Part imposes rules in respect of **distributors** as follows: (a) corporate separation and arm's-length rules, if a person is involved both in a **distributor** and in either or both of— (i) a generator that generates more than 50 MW of generation connected to the **distributor's** network~~:~~; or (ii) a **retailer** that retails more than 75 GWh per year to

		d. Reference to 'distribution agreement' should be replaced with reference to 'distributor agreement' and emboldened, because it is a defined term in clause 1.1(1). That meaning is appropriate to replace 'distribution agreement', which is not defined or used elsewhere in the Code.	customers connected to the **distributor's** network: (b) **distributor agreement** ~~distribution agreement~~ rules, if— (i) a connected retailer retails more than 5 GWh per year to customers connected to the **distributor's** local network; or (ii) a connected generator has a capacity of more than 10 MW of generation that is connected to any of the **distributor's** networks: (c) rules preventing persons involved in **distributors** from paying **retailers** in respect of the transfer of retail customers: (d) no-discrimination rules that apply when **distributors**, or electricity trusts or customer co-operatives involved in **distributors**, pay dividends or rebates. …
64.	Not being progressed (amendment not required)		
65.	6A.2 definition of 'assets'	Defined term is unnecessary. The definition (incorporated from the Act) reflects the ordinary meaning and usage of the term, and the term is only used once in Part 6A. Including defined terms in such circumstances is not consistent with the Authority's Code Drafting Manual. In any event, clause 1.1(2) of the Code already incorporates defined terms from the Act.	**assets** *[Revoked]* ~~has the meaning given in section 5 of the Act~~
66.	6A.2 definition of 'associate'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology used in the Code for references to the Act.	**associate** has the meaning given to it by ~~in~~ section 6A of the **Act**

67.	6A.2 definition of 'business'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology used in the Code for references to the Act.	**business** has the meaning given to it by ~~in~~ section 5 of the **Act**
68.	1.1(1) definition of 'business'	The Code already contains a definition of business which is different to the definition in clause 6A.2. To avoid confusion, clause 1.1 definition of 'business' requires amendment to signal that a different definition applies in Part 6A (including Schedule 6A.1).	**business** means, except in Part 6A, the business carried out as a **participant**
69.	6A.2 definition of 'consumer'	Defined term is unnecessary. Term only used in Part 6A in the definition of 'customer' – see below.	**consumer** *[Revoked]*~~has the meaning given in section 5 of the Act~~
70.	6A.2 definition of 'customer'	Defined term is unnecessary. The definition reflects the ordinary meaning and usage of the term. The term was originally defined in a similar way in clause 1.1(1) of the Code but the definition was revoked in an earlier Code Review Programme on the basis that it was unhelpful and inefficient to give commonplace terms a definition that is no different to their ordinary meaning. The same rationale applies to the use of this term in Part 6A and revoking the definition would result in a consistent approach across the Code.	**customer** *[Revoked]*~~, in respect of a retailer, means a consumer to whom that retailer sells electricity~~
71.	6A.2 definition of 'director'	Defined term is unnecessary. The definition reflects the ordinary meaning and usage of the term. Including defined terms in such circumstances is not consistent with the Authority's Code Drafting	**director** *[Revoked]*~~has the meaning given in **section 6A** of the Act~~

		Manual. The term is used elsewhere in the Code without it being defined and revoking the definition would result in a consistent approach across the Code.	
72.	6A.2 definition of 'financial year'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology used in the Code for references to the Act.	**financial year** has the meaning given to it by ~~in~~ section 6A of the **Act**
73.	1.1(1) definition of 'financial year'	The Code already contains a definition of 'financial year' which is different to the definition in clause 6A.2. To avoid confusion, clause 1.1(1) definition of 'financial year' requires amendment to signal that a different definition applies in Part 6A (including Schedule 6A.1).	**financial year** means, except in Part 6A and Schedule 12.4, the financial year adopted by a participant from time to time, being a 12 month period as a participant determines
74.	6A.2 definition of 'generator'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology used in the Code for references to the Act.	**generator** has the meaning given to it by in section 5 of the **Act**
75.	1.1(1) definition of 'generator'	The Code already contains a definition of 'generator' which is different to the definition in clause 6A.2. To avoid confusion, clause 1.1(1) definition of 'generator' requires amendment to signal that a different definition applies in Part 6A (including Schedule 6A.1).	**generator** means, except in Part 6A, a person who owns **generating units** connected to a **network**, or any person who acts, in respect of Parts 13, 14 and 15, on behalf of any person who owns such **generating units**, and includes **embedded generators**, **intermittent generators**, **type A co-generators**, and **type B co-generators**
76.	6A.2 definition of 'involved in'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code.	**involved in** has the meaning given to it by ~~in~~ section 6A of the **Act**

		b. Wording is not consistent with standard terminology used in the Code for references to the Act.	
77.	6A.2 definition of 'network'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology used in the Code for references to the Act.	**network** has the meaning given to it by ~~in~~ section 5 of the **Act**
78.	1.1(1) definition of 'network'	The Code already contains a definition of 'network' which is different to the definition in clause 6A.2. To avoid confusion, clause 1.1(1) definition of 'network' requires amendment to signal that a different definition applies in Part 6A (including Schedule 6A.1).	**network** means, except in Part 6A, the **grid**, a **local network** or an **embedded network**
79.	6A.2 definition of 'retailer'	As noted above, defined term is unnecessary as the term is already defined in clause 1.1(1). The definition in clause 6A.2 (incorporated from the Act) is 'a business engaged in retailing' and 'retailing' is defined in the Act as 'the sale of electricity to a consumer other than for the purpose of resale'. Clause 1.1(1) already defines 'retailer' in substantially the same way, referring to 'a participant who supplies electricity to another person for any purpose other than for resupply by the other person'.	**retailer** *[Revoked]* ~~has the meaning given in section 5 of the Act~~
80.	6A.2 definition of 'total capacity'	a. Reference to 'Act' should be in bold because it is a defined term in clause 1.1(1) of the Code. b. Wording is not consistent with standard terminology	**total capacity** has the meaning given to it by ~~in~~ section 73(3) of the **Act**

		used in the Code for references to the Act.	
81.	6A.3	a. Reference to 'distribution' should be in bold because it is a defined term in clause 1.1(1). b. References to 'distributor' should be in bold because it is a defined term in clause 1.1(1). c. References to 'retailer' should be in bold because it is a defined term in clause 1.1(1). d. Reference to 'electricity' should be in bold because it is a defined term in clause 1.1(1).	**6A.3 Corporate separation and arm's-length rules applying to distributors and connected generators and connected retailers** (1) The person or persons who carry on the business of **distribution** must carry on that business in a different company from the company that carries on the business of a connected generator or a connected retailer. (2) Every person who is involved in a **distributor**, and every person who is involved in a connected generator or a connected retailer, must comply, and ensure that the person's businesses comply, with the arm's-length rules. (3) In this clause, unless the context otherwise requires,— **connected generator**, in relation to a **distributor**, means a generator— (a) that has a total capacity of more than 50 MW of generation that is connected to any of the **distributor's** networks; and (b) in respect of which the **distributor**, or any other person involved in the **distributor**, is involved **connected retailer**, in relation to a **distributor**, means a **retailer**— (a) that is involved in retailing more than 75 GWh of **electricity** in a financial year to customers who are connected to any of the **distributor's** networks; and (b) in respect of which the **distributor**, or any other person involved in the **distributor**, is involved.
82.	6A.4	a. Reference to 'distributor' should be in bold because it is	**6A.4 Distributor ~~Distribution~~ agreements**

	a defined term in clause 1.1(1). b. Reference to 'distribution' should be in bold because it is a defined term in clause 1.1(1). c. References to 'distribution agreement' should be replaced with references to 'distributor agreement' and emboldened, because it is a defined term in clause 1.1(1). That meaning is appropriate to replace 'distribution agreement', which is not defined or used elsewhere in the Code. d. References to 'line function services' should be in bold as it is a defined term in clause 1.1(1). e. References to 'Authority' should be in bold because it is a defined term in clause 1.1(1). f. References to 'publicise' should be replaced with references to 'publish' and emboldened. The term 'publicise' is no longer used in the Code. In an earlier Code Review Programme the Code was amended to consistently use the term "publish", which is defined in clause 1.1(1) in substantially the same way as "publicise" is defined in the Act. Both terms mean a requirement to make the information available to the public at no cost on their website.	(1) Every director of a **distributor** in respect of which there is a connected retailer or a connected generator must ensure that— (a) the **distribution** business has a comprehensive, written **distributor agreement** ~~distribution agreement~~ that provides for the supply of **line function services** and information to the connected retailer or connected generator (as the case may be); and (b) the terms of that **distributor agreement** ~~distribution agreement~~ do not discriminate in favour of one business and do not contain arrangements that include elements that the business usually omits, or omit elements that the business usually includes, in **distributor agreements** ~~distribution agreements~~ with parties that are— (i) connected or related only by the transaction or dealing in question; and (ii) acting independently; and (iii) each acting in its own best interests; and (c) the business operates in accordance with that **distributor agreement** ~~distribution agreement~~; and (d) the business **publishes** ~~publicises~~ that **distributor agreement** ~~distribution agreement~~ and provides it to the **Authority**. (2) A **distributor agreement** ~~distribution agreement~~ required by subclause (1)(a) must be entered into, in the case of a business to which the corporate separation rule does not apply, as if the distribution business (3) In this clause, unless the context otherwise requires,—

connected generator, in relation to a **distributor**, means a generator—

(a) that has a total capacity of more than 10 MW of generation that is connected to any of the **distributor's** networks; and

(b) in respect of which the **distributor**, or any other person involved in the **distributor**, is involved

connected retailer, in relation to a **distributor**, means a **retailer**—

(a) that is involved in retailing more than 5 GWh of **electricity** on the **distributor's** local network in a financial year to customers who are connected to that network; and

(b) in respect of which the **distributor**, or any other person involved in the **distributor**, is involved

local network means a network operated by a **distributor** in a contiguous geographic area or areas.

(4) The directors of the **distributor** must ensure that there is also **published** ~~publicised~~, and provided to the **Authority**, a certificate signed by those directors stating whether, in the preceding calendar year,—

(a) the terms in the **distributor agreement** ~~distribution agreement~~ are a true and fair view of the terms on which **line function services** and information were supplied in respect of the retailing or generating to which the agreement relates; and

(b) this clause was otherwise fully complied with.

(5) A director breaches this Code if the director—

(a) refuses or knowingly fails to comply with this clause; or

			(b) allows a **distributor agreement** ~~distribution agreement~~ or a certificate to be **published** ~~publicised~~ or provided to the **Authority** knowing that it is false or misleading in a material particular.
83.	6A.5	a. Colon at end of paragraphs (2)(a) and (b) should be semicolon, and 'and' should be inserted in accordance with the Authority's normal drafting approach for the Code. b. References to 'distributor' should be in bold because it is a defined term in clause 1.1(1). c. Reference to 'electricity' should be in bold because it is a defined term in clause 1.1(1).	**6A.5 Person involved in distributor must not pay for transfer of retail customers to connected retailers** (1) A **distributor**, and any other person listed in subclause (2), must not pay, or offer to pay, any consideration to a **retailer** in respect of the transfer to a connected retailer of any retail customers who are connected to the **distributor's** networks. (2) The persons are— (a) the **distributor** or any other person involved in the **distributor**~~:~~; and (b) a connected generator in respect of the **distributor** or any other person involved in the connected generator~~:~~; and (c) a connected retailer in respect of the **distributor** or any other person involved in the connected retailer. (3) To avoid doubt, subclause (1) includes a prohibition on— (a) any agreement to acquire the assets or voting securities of another **retailer** (regardless of whether any, or only nominal, consideration is attributed to customers) as a result of which there is a transfer of responsibility for retailing **electricity** to customers; and (b) any consideration that is directly or indirectly or in whole or in part in respect of the transfer of any of another **retailer's** customers or customer accounts.

			(4) A person who knowingly fails to comply with this clause breaches this Code. (5) In this clause,— **agreement** has the same meaning as in clause 10 of Schedule 2 of the Act **connected generator** has the same meaning as in clause 6A.4 **connected retailer** has the same meaning as in clause 6A.4.
84.	6A.6	a. Colon at end of paragraphs (3)(a) and (b) should be semicolon, and 'and' should be inserted in accordance with the Authority's normal drafting approach for the Code. b. References to 'distributor' should be in bold because it is a defined term in clause 1.1(1). c. Reference to 'retailer' should be in bold because it is a defined term in clause 1.1(1).	**6A.6 No discrimination when paying rebates or dividends** (1) This clause applies if a **distributor** has a connected retailer. (2) Every person listed in subclause (3) must ensure that any rebates or dividends or other similar payments paid do not discriminate between— (a) customers of the connected retailer; and (b) customers of other **retailers** where those customers are connected to the **distributor's** networks. (3) The persons are— (a) the directors of the **distributor**~~.~~; and (b) the trustees of any customer trust or community trust that is involved in the **distributor** and the connected retailer~~.~~; and (c) the directors of any customer co-operative that is involved in the **distributor** and the connected retailer. …
85.	6A.7	a. As above, reference to 'distribution agreements' should be replaced with reference to 'distributor agreements' and emboldened as 'distributor agreement' is defined in clause 1.1(1) and that meaning is appropriate to	**6A.7 Disclosure of information to Authority** (1) Each director of a **distributor** referred to in clause 6A.4(1) (**distributor agreements** ~~distribution agreements~~) must ensure that the **distributor** discloses the quantity of **electricity** sold each financial year by

		replace distribution agreement in Part 6A. b. References to 'distributor' should be in bold because it is a defined term in clause 1.1(1). c. References to 'Authority' should be in bold because it is a defined term in clause 1.1(1). d. Reference to 'electricity' should be in bold because it is a defined term in clause 1.1(1). e. As above, reference to 'publicised' should be replaced with reference to 'published' and emboldened as it is a defined term in clause 1.1(1).	connected retailers to customers who are connected to its local network (within the meanings in that clause). (2) The disclosure must be made in a statement to the **Authority** within 2 months after the end of the financial year. (3) The statement must be in the form prescribed by the **Authority** from time to time. (4) The statement must be **published** ~~publicised~~ by the **Authority** and the **distributor**. (5) A director breaches this Code if the director— (a) refuses or knowingly fails to comply with this clause; or (b) provides the statement to the **Authority** knowing that it is false or misleading in a material particular.
86.	6A.8	a. References to 'Authority' should be in bold because it is a defined term in clause 1.1(1). b. As above, reference to 'publicised' should be replaced with reference to 'published' and emboldened as it is a defined term in clause 1.1(1).	**6A.8 Directors must report compliance with arm's-length rules** (1) Each director of a business to which the arm's-length rules apply must provide to the **Authority**, no later than 31 March in each year, a statement confirming whether the director has complied with all of the arm's-length rules during the preceding calendar year. (2) The directors and the **Authority** must ensure that the statement is **published** ~~publicised~~. (3) A director breaches this Code if the director— (a) refuses or knowingly fails to comply with this clause; or (b) provides the statement to the **Authority** knowing that it is false or misleading in a material particular.
87.	Schedule 6A.1, clause 2(1)	Definition of 'manager' in the Act should be expressly	(1) In this schedule,—

		included in the Schedule, as it was prior to the 2022 amendments. The term 'manager' is used throughout Schedule 6A.1. While clause 1.1(2) of the Code would incorporate the Act's definition of 'manager', expressly including it in clause 2(1) will promote accessibility.	… **manager** has the meaning given to it by section 5 of the **Act** …
88.	Schedule 6A.1, clause 3	a. Clause numbering and terminology of 'rules' used in this clause (eg at 11(2) and (3)) is not consistent with Authority's Code Drafting Manual. This has the potential to be confusing as paragraph numbering restarts at 1, and the term 'rules' is defined in clause 1.1(1) as the Electricity Governance Rules 2003, which preceded the Code. Clause 3 should be divided into separate sequential clauses, existing cross headings should become clause headings, and other numbering issues should be corrected. b. Reference to 'electricity' should be in bold because it is a defined term in clause 1.1(1). c. Reference to 'retailer' should be in bold because it is a defined term in clause 1.1(1).	**3 Arm's-length rules** The arm's-length rules are set out in clauses 3A to 3M.~~as follows:~~ ~~*Duty to ensure arm's-length objective is met*~~ **3A Duty to ensure arm's-length objective is met** ~~1~~ Business A and every parent of business A, and business B and every parent of business B, must take all reasonable steps to ensure that the arm's-length objective in clause 1 is met. ~~*Arm's-length test*~~ **3B Arm's-length test** ~~2~~ Business A, and every parent of business A, must not enter into a transaction in which business B, or any parent of business B, is interested if the terms of the transaction are terms that unrelated parties in the position of the parties to the transaction, each acting independently and in its own best interests, would not have agreed to. ~~*Duty not to prefer interests of business B*~~ **3C Duty not to prefer interests of business B** ~~3~~ A director or manager of business A must not, when exercising powers or performing duties in connection with business A, act in a manner that the director or manager knows or ought reasonably to know would prefer the interests of business B over the interests of business A.

~~*Duty not to discriminate in favour of business B*~~

3D Duty not to discriminate in favour of business B

~~4~~ Business A must not, in providing services or benefits, discriminate in favour of business B or the customers, suppliers, or members of business B.

~~*Duty to focus on interests of right ultimate owners*~~

3E Duty to focus on interests of right ultimate owners

~~5~~ A director or manager of business A must, when exercising powers or performing duties in connection with business A, act in the interests of the ultimate members of business A in their capacity as such, and must neither subordinate the interests of those members to the interests of the members of business B nor, to the extent that the members or ultimate beneficial members of each business overlap, take account of that fact or have regard to their dual capacity as members of business B and business A.

~~*Duty of directors and managers of parents of business A*~~

3F Duty of directors and managers of parents of business A

~~6~~ A director or manager of a parent of business A must not, when exercising powers or performing duties in connection with business A, act in a manner that the director or manager knows or ought reasonably to know would favour the interests of business B, or of the customers, suppliers, or members of business B in that capacity, over the interests of business A or the customers, suppliers, or members of business A.

~~*At least 2 independent directors*~~

3G At least 2 independent directors

~~7~~ At least 2 directors of business A must—

(a) be neither a director nor a manager of business B; and

(b) not be an associate of business B, other than by virtue of being a director of business A.

~~*No cross-directors who are executive directors*~~

3H No cross-directors who are executive directors

~~8~~ A director of business A may be a director of business B, but must not—

(a) manage business B on a day-to-day basis; or

(b) be an associate of business B, other than by virtue of being a director of business A or business B; or

(c) be involved in business B (other than by having material influence over business B by virtue of being a director of business B).

~~*Separate management rule*~~

3I Separate management rule

~~9~~(1) This clause applies if business A is involved in—

(a) a generator that has a total capacity of more than 50 MW and that is connected to any of business A's networks; or

(b) a **retailer** that retails more than 75 GWh of **electricity** in a financial year to customers who are connected to any of business A's networks.

(2) A manager of business A must not—

(a) be a manager of business B; or

(b) be an associate of business B, other than by virtue of being a manager of business A; or

(c) be involved in the business of business B.

~~*Directors and managers must not be placed under certain obligations*~~

3J Directors and managers must not be placed under certain obligations

~~10~~(1) Subject to subclause (2), no person may place a director or manager of business A under an obligation, whether enforceable or not, to act in accordance with the directions, instructions, or wishes of business B, or any director or manager or associate of business B, or any parent of business B, and no director or manager may submit to any such obligation.

(2) A common parent, or a cross-director or a cross-manager, of both business A and business B may place a director or manager under an obligation referred to in subclause (1) if doing so does not contravene another of the arm's-length rules.

~~*Restriction on use of information*~~

3K Restriction on use of information

~~11~~(1) Business A must not disclose or permit the disclosure to business B, or use or permit the use for the purposes of business B, of restricted information of business A.

(2) An electricity trust that is a parent of business A (**trust A**), business A, and every parent of trust A must not disclose or permit the disclosure to business B, an electricity trust that is a parent of business B (**trust B**), or any parent of trust B, or use or permit the use for the purposes of business B or trust B, of restricted information of business A or trust A.

(3) In this clause ~~these rules~~, **restricted information** is information received or generated, and held, by business A or trust A that is connected with its business, being information that—

(a) is not available to the competitors or potential

competitors of business B or trust B; and

(b) if disclosed to business B or trust B, would put, or be likely to put, business B or trust B in a position of material advantage in relation to any competitor or potential competitor.

(42) This clause ~~rule~~ does not prevent cross-directors under clause 3H ~~rule 8~~ from having access to normal board information.

(53) A manager of business A who is not prohibited from being a manager of business B under clause 3I ~~rule 9~~ may use restricted information of both business A and business B, but only to the extent that the use does not contravene another of the arm's-length rules.

~~*Records*~~

3L Records

(1)~~12~~ Every business to which this schedule applies must keep at it registered office a register of transactions entered into between business A, or any parent of business A, and business B, or any parent of business B.

(2)~~13~~ Business A must, within 10 working days of entering into such transaction, enter in its register details sufficient to identify the nature and import of the transaction.

~~*Practical considerations*~~

3M Practical considerations

(1)~~14~~ Business A and every parent of business A must ensure that its practical arrangements, such as use of accommodation, equipment, and services, do not contravene this schedule.

(2)~~15~~ Business A and every parent of business A must ensure that its selection and appointment of advisors does not prejudice compliance with clauses 3G to 3K~~rules 7 to 11~~.

89.	Schedule 6A.1, clause 4	Cross-references need to be updated to reflect changes to clause 3.	**4**	**Rules do not limit objective** The arm's-length rules in clauses 3A to 3M~~clause 3~~ do not limit the generality of the arm's-length objective in clause 1.