

Electricity Industry (Exemption No. 346 (WEL Network Limited and NewPower Energy Limited)) Exemption Notice 2024

In accordance with section 11(2) of the Electricity Industry Act 2010 (“Act”) the Electricity Authority (“Authority”) gives the following notice.

Notice

1. Exemption

The following persons are exempted from the requirement in clause 6A.3(2) of the Electricity Industry Participation Code 2010 (“Code”) to comply with rules 3G, 3H, 3I and 3J in Schedule 6A.1 of the Code:

- a. WEL Networks Limited (“WEL”); and
- b. NewPower Energy Limited (“NewPower”).

2. Conditions

This exemption is subject to the following conditions:

- a. This exemption applies to the following generation owned by NewPower:
 - i. a battery energy storage system up to maximum capacity of 32.495MW;
 - ii. Taiohi solar farm in Huntly up to a nameplate Te Ohaaki solar farm in Huntly up to a nameplate capacity of 22.4W;
 - iii. Rangimarie solar farm in Maramarua up to a nameplate capacity of 10MW; and
 - iv. various small scale solar, battery storage with a total capacity of 0.61789kW as follows:

Location	Type	Capacity (Kw)
Hamilton (Maui Street)	Solar	15
	Solar	60
	Solar	2
	Solar	59.8
	BESS	91
	Diesel	120
Pukete	Solar	10
Hamilton (Avalon Drive)	Solar	15
	BESS	15
	Diesel	80
Hamilton (McKee)	Solar	110
	Bess	40

- b. The exemption from the requirement to comply with rule 3I only applies to the appointment of management to positions of material influence over WEL and NewPower.
- c. WEL and NewPower must not engage in retailing, as that term is defined in the Act, to any customer connected to WEL's distribution network.
- d. This exemption applies while WEL and NewPower are wholly-owned by the WEL Energy Trust.
- e. This exemption will expire on 1 October 2040 or the day that any additional generation (other than generation installed for the purpose of providing network support or solar panels installed for the sole purpose of powering substations or office buildings) owned by WEL, NewPower or any of WEL's subsidiaries is connected to WEL's network, whichever date is earlier.
- f. WEL must comply with Part 6 and WEL and NewPower must comply with all other arm's-length rules in Schedule 6A.1 of the Code.

3. Reasons for granting this exemption

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(1) The reasons for this exemption are:

- a. NewPower is wholly-owned by WEL and is a “connected generator” under Part 6A of the Code. Because its generation assets will be connected to WEL’s distribution network and exceed 50MW, WEL and NewPower are required to comply with clause 6A.3(2) of the Code.
- b. The Authority is satisfied that it is not necessary for the purpose of achieving the Authority’s objectives under section 15 of the Act for WEL and NewPower to comply with the rules 3G, 3H, 3I and 3J in Schedule 6A.1 of the Code because:
 - i. competition and reliability are expected to be either not affected or slightly improved by the granting of the amendment;
 - ii. efficiency is expected to be improved by the granting of the amendment;
 - iii. the total generation capacity exceeds the 50MW threshold by a small amount which further limits any impact on competition in the relevant markets; and
 - iv. any potential risks incentives or opportunities to inhibit competition can be addressed by the application of the remaining arm’s length rules in Schedule 6A.1 of the Code, Part 6 of the Code, information disclosure requirements under the Commerce Act 1986 and the conditions set out in paragraph 2 of this notice.

4. Commencement

This notice comes into force on the day after the date it is notified in the *New Zealand Gazette*.

Dated at Wellington this 1st day of October 2024.

For and on behalf of the Electricity Authority.
ANNA KOMINIK, Chair, Electricity Authority.