

Dispensation notice

Dispensation under clause 6A.9(6) of Part 6A of the Electricity Industry Participation Code 2010 (WEL Network Limited and NewPower Energy Limited)

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

Notice

1. **Dispensation**— The following persons are granted a dispensation 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. the directors, from time to time, of WEL Networks Limited ("WEL");
 - b. the directors, from time to time, of NewPower Energy Limited ("NewPower");
 - c. the chief executive officer of WEL, or person holding an equivalent position;
 - d. the chief financial officer of WEL, or person holding an equivalent position;
 - e. the chief technology officer of WEL, or person holding an equivalent position; and
 - f. the chief executive officer of NewPower or person holding an equivalent position.
2. **Conditions**— This dispensation is subject to the following conditions:
 - a. This dispensation 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 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 0.61789 kW 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 dispensation from the requirement to comply with rule 3I only applies to the appointment of persons identified in clause 2(c) to (f) to positions of material influence over NewPower.
- c. The dispensation only applies while WEL and NewPower are wholly owned by the WEL Energy Trust.

- d. This dispensation 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.
- e. The persons listed in paragraph 1 must comply with all other arm's-length rules as applicable.

3. Reasons for this dispensation— The reasons for granting the dispensation are:

- a. 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 the persons referred to in paragraph 1 of this notice 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 this dispensation;
 - ii. efficiency is expected to be improved by the granting of this dispensation;
 - 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.

Dated at Wellington this 1st day of October 2024

For and on behalf of the Electricity Authority



ANNA KOMINIK, Chair, Electricity Authority