

Electricity Industry Participation Code Amendment (Transmission Pricing Methodology Related Amendments) (No 2) 2024

Under section 38 of the Electricity Industry Act 2010, and having complied with section 39 of that Act, I make the following amendment to the Electricity Industry Participation Code 2010.

At Wellington on the 25th day of November 2024



Anna Kominik
Chair
Electricity Authority

Certified in order for signature:



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21 November 2024

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Amendment

1 Title

This is the Electricity Industry Participation Code Amendment (Transmission Pricing Methodology Related Amendments) (No 2) 2024.

2 Commencement

This amendment comes into force on 1 April 2026.

3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

4 Clause 32 of Schedule 12.4 amended (Connection Customer Allocations)

(1) Replace clause 32(1) of Schedule 12.4 with:

“(1) Subject to subclause (5) and clause 33, a **customer’s** (customer *c*’s) **connection customer allocation** for a **connection asset, connection location and pricing year** (CA_1) is calculated as follows if the **connection asset** is—
(a) for 1 **connection location** only; and
(b) not a **mixed connection asset**:

$$CA_1 = \frac{AMDIC_c}{\sum_j AMDIC_j}$$

where

$AMDIC_c$ is customer *c*’s **AMDC** or **AMIC** at the **connection location** for the **pricing year**, whichever is greater

$AMDIC_j$ is customer *j*’s **AMDC** or **AMIC** at the **connection location** for the **pricing year**, whichever is greater, where customer *j* is a **customer** at the **connection location** (including customer *c*).”

(2) Replace clause 32(2) of Schedule 12.4 with:

“(2) Subject to subclause (5) and clause 33, a **customer’s** (customer *c*’s) **connection customer allocation** for a **connection asset, connection location** (connection location *x*) and **pricing year** (CA_{2+}) is calculated as follows if the **connection asset** is—
(a) for 2 or more **connection locations**, being the set of connection locations *L*; and
(b) not a **mixed connection asset**:

$$CA_{2+} = \frac{AMDIC_c}{\sum_l \sum_j AMDIC_{jl}}$$

where

$AMDIC_c$ is customer *c*’s **AMDC** or **AMIC** at connection location *x* for the **pricing year**, whichever is greater

$AMDIC_{jl}$ is customer j 's **AMDC** or **AMIC** at connection location l for the **pricing year**, whichever is greater, where connection location l is a **connection location** in the set L and customer j is a **customer** at connection location l (including customer c).”.

- (3) In clause 32(3) of Schedule 12.4, replace the definition of AMDIC with:
 “AMDIC is the **customer’s AMDC** or **AMIC** at the **connection location** for the **pricing year**, whichever is greater”.

5 Clause 69 of Schedule 12.4 replaced (Anytime Maximum Demand (Residual))

Replace clause 69 of Schedule 12.4 with:

“**69 Anytime Maximum Demand (Residual)**

A **load customer’s AMDR** for **pricing year** n ($AMDR_n$) is—

- (a) 0 if the **load customer** became a **customer** at or after the start of **financial year** $n-4$;
 or
 (b) calculated as follows if the **load customer** became a **customer** before the start of **financial year** $n-4$ and at or after the start of **financial year** $n-8$:

$$AMDR_n = AMDR_{baseline} \times \left(\frac{n - m}{4} - 1 \right)$$

where

m is the **financial year** during which the **load customer** became a **customer**

$AMDR_{baseline}$ is the **load customer’s AMDR** baseline calculated or estimated under clause 70; or

- (c) otherwise, calculated as follows:

$$AMDR_n = AMDR_{baseline} + RCAF_n$$

where

$AMDR_{baseline}$ is the **load customer’s AMDR** baseline calculated or estimated under clause 70

$RCAF_n$ is the **load customer’s RCAF** for **pricing year** n .”

6 Clause 70 of Schedule 12.4 amended (Anytime Maximum Demand (Residual) Baseline)

Replace clause 70(2) of Schedule 12.4 with:

- “(2) A **recent load customer’s AMDR** baseline is calculated as follows if it has not already been estimated by **Transpower** under a previous version of this **transmission pricing methodology**:

$$AMDR_{baseline} = ATGE_{baseline} \times \frac{AMDR_{pre-existing\ baseline\ total}}{ATGE_{pre-existing\ baseline\ total}}$$

where

ATGE _{baseline}	is the load customer's average total gross energy baseline estimated under clause 71(5)
AMDR _{pre-existing baseline total}	is the sum of all current pre-existing load customers' AMDR baselines calculated under clause 70(1)
ATGE _{pre-existing baseline total}	is the sum of all current pre-existing load customers' average total gross energy baselines calculated under clause 71(4).”

7 Clause 71 of Schedule 12.4 amended (Residual Charge Adjustment Factor)

Replace clause 71(1) of Schedule 12.4 with:

“(1) A **load customer's RCAF** for **pricing year** n (RCAF_n) is calculated—

- (a) if the **load customer's** LATGE_n is equal to or higher than the **load customer's** ATGE_{baseline}, as follows:

$$RCAF_n = (LATGE_n - ATGE_{baseline}) \times \frac{AMDR_{baseline\ total}}{ATGE_{baseline\ total}}$$

where

LATGE_n is the **load customer's** lagged average **total gross energy** for **pricing year** n calculated under subclause (2)

ATGE_{baseline} is the **load customer's** average **total gross energy** baseline calculated or estimated under subclause (4) or (5)

AMDR_{baseline total} is the sum of all relevant **load customers' AMDR** baselines calculated or estimated under clause 70, where a relevant **load customer** is a current **load customer** whose **AMDR** is calculated under clause 69(1)(c)

ATGE_{baseline total} is the sum of all relevant **load customers' average total gross energy** baselines calculated or estimated under subclause (4) or (5), where a relevant **load customer** is a current **load customer** whose **AMDR** is calculated under clause 69(1)(c).

- (b) if the **load customer's** LATGE_n is lower than the **load customer's** ATGE_{baseline}, as follows:

$$RCAF_n = (LATGE_n - ATGE_{baseline}) \times \frac{AMDR_{baseline}}{ATGE_{baseline}}$$

where

LATGE_n is the **load customer's** lagged average **total gross energy** for **pricing year** n calculated under subclause (2)

ATGE_{baseline} is the **load customer's** average **total gross energy** baseline calculated or estimated under subclause (4) or (5)

AMDR_{baseline} is the **load customer's** **AMDR** baseline calculated or estimated under clause 70.”

8 Clause 73 of Schedule 12.4 amended (Re-estimating for Recent Load Customers)

- (1) In clause 73(1) of Schedule 12.4, after “**Transpower** may re-estimate either or both of a **recent load customer's** **AMDR** baseline” insert “(if **Transpower** estimated the **recent load customer's** **AMDR** baseline under a previous version of this **transmission pricing methodology**)”.
- (2) After clause 73(1) of Schedule 12.4, insert:
 - “(1A) If—
 - (a) **Transpower** re-estimates the **recent load customer's** average **total gross energy** baseline under subclause (1); and
 - (b) the **recent load customer's** **AMDR** baseline was not estimated by **Transpower** under a previous version of this **transmission pricing methodology**, **Transpower** must re-calculate the **recent load customer's** **AMDR** baseline under subclause 70(2) using the **recent load customer's** re-estimated average **total gross energy** baseline.”

Explanatory Note

This note is not part of the amendment, but is intended to indicate its general effect.

This amendment to the Electricity Industry Participation Code 2010 (the Code) comes into force on 1 April 2026.

The amendment amends Part 12 of the Code to amend the transmission pricing methodology in Schedule 12.4 of the Code to:

- ensure connection charges for shared connection assets are based on only the maximum capacity used for all customers
- change the way the residual charge is adjusted for changes in consumption and where new customers connect to provide that changes in energy consumption (in MWh) are converted to MW at the same rate for all customers.

More information about the amendments is available on the Electricity Authority's website <https://www.ea.govt.nz/>
