

Electricity Industry Participation Code Amendment (Code Review Programme) 2025

Under sections 38 and 39(3)(a) 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 24th day of February 2025

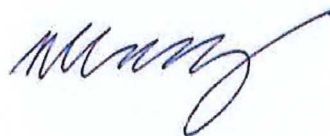


Anna Kominik
Chair
Electricity Authority

Certified in order for signature:



Nichola Lambie
Manager – Legislation
Electricity Authority



Nick Crang
Partner
Duncan Cotterill

24 February 2025

21 February 2025

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Amendment

1 Title

This is the Electricity Industry Participation Code Amendment (Code Review Programme) 2025.

2 Commencement

- (1) Except as provided in subclause (2), this amendment comes into force on 1 April 2025.
- (2) Clauses 15, 16, 18 and 19 of this amendment come into force on 1 July 2025.

3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

4 Clause 1.1 amended (Interpretation)

- (1) In clause 1.1(1), definition of **controllable load**—
 - (a) replace “(i)” with “(a)”;
 - (b) replace “(ii)” with “(b)”;
 - (c) replace “(iii)” with “(c)”;
 - (d) delete the full-stop after “**dispatch notification generator**”.
- (2) In clause 1.1(1), replace the definition of **disclosing participant** with:

“**disclosing participant**,—

“(a) means any of the following:

- “(i) a person who consumes **electricity** that is conveyed to the person directly from the national **grid**;
 - “(ii) a person who buys **electricity** from the **clearing manager**; but
 - “(b) excludes an **embedded generator** where:
 - “(i) the **embedded generator** is not a **retailer** and does not intend to become a **retailer** during the next 3 calendar months; and
 - “(ii) the **electricity** purchased by the **embedded generator** from the **clearing manager** during the previous 3 calendar months, and expected to be purchased in the next 3 calendar months, is purchased only for its own use to maintain services for the **embedded generating station** or **embedded generating stations** that the **embedded generator** owns or operates”.
 - (3) In clause 1.1(1), definition of **hedge settlement agreement**, delete “in a form set out in Schedule 14.4”.
 - (4) In clause 1.1(1), definition of **ICP**, after paragraph (c), insert:
 - “(d) a **point of connection** at which the **electrical facility** for a **generator** or **direct purchaser** is connected to a **network** other than the **grid**”.
 - (5) In clause 1.1(1), revoke the definition of **outage constraint**.
 - (6) In clause 1.1(1), definition of **pricing error**—
 - (a) replace “(i)” with “(a)”;
 - (b) replace “(ii)” with “(b)”.
- 5 Clause 6A.4 amended (Distributor agreements)**
 In clause 6A.4(2), replace “distribution” with “**distribution**”.
- 6 Clause 7.8 amended (Review of system operator)**
- (1) In clause 7.8(1), delete “at least once in each year ending 30 June”.
 - (2) After clause 7.8(1), insert:
 - “(1A) The **Authority** may review the performance of the **system operator** at any other time provided it has used reasonable endeavours to provide the **system operator** with reasonable notice of the review.
 - “(1B) If the **Authority** requests the **system operator** to provide information or input into a review under subclause (1A), the **Authority** must provide the **system operator** with a reasonable timeframe in which to respond to the request.”
 - (3) In clause 7.8(2)—
 - (a) replace “The review” with “Each review under this clause”;
 - (b) after “concentrate” insert “, to the extent relevant,”.
 - (4) In clause 7.8(3), replace “the performance of the **system operator**” with “each review under this clause”.
- 7 Schedule 8.3, Technical Code B, clause 7 amended**
 In Schedule 8.3, Technical Code B, clause 7(9), after “For each South Island **grid owner** that information must be in the form”, insert “, and supplied by the date,”.
- 8 Schedule 10.7, clause 16 amended**
- (1) In clause 16(2)(b) of Schedule 10.7, before “**recertify**”, insert “subject to subclause (2A),”.

- (2) Before clause 16(3) of Schedule 10.7, insert:
- “(2A) Where a **metering component** in a **metering installation** in the sample referred to in subclause (2)(b) has been, or will be, displaced, an **ATH** (the “first **ATH**”) may arrange for the displacing **ATH** to:
- “(a) **recertify** the **metering component** in the **metering installation** using—
 - “(i) the **fully calibrated certification** method; or
 - “(ii) the **selected component certification** method;
 - “(b) record sufficient details about the **metering installation** to allow the first **ATH** to assess the **metering installation** as part of the sample and provide those details to the first **ATH**; and
 - “(c) deliver the removed **metering component** to the first **ATH** without damage.”
- 9 Schedule 10.7, clause 37 amended**
In clause 37(2)(b)(i) of Schedule 10.7, replace “date falling the number of days equivalent to” with “last day of”.
- 10 Schedule 10.8, clause 1 amended**
In clause 1(1)(d)(ii) of Schedule 10.8, after “validity period”, insert “or expiry date”.
- 11 Schedule 10.8, clause 2 amended**
In clause 2(1)(d) of Schedule 10.8, after “validity period”, insert “or expiry date”.
- 12 Schedule 10.8, clause 3 amended**
In clause 3(c)(ii) of Schedule 10.8,—
- (a) after “validity period”, insert “or expiry date”; and
 - (b) after “120 months”, insert “from the date on which it was **certified**”.
- 13 Schedule 10.8, clause 4 amended**
In clause 4(2)(b) of Schedule 10.8,—
- (a) after “validity period”, insert “or expiry date”; and
 - (b) after “180 months”, insert “from the date on which it was **certified**”.
- 14 Schedule 10.8, clause 5 amended**
In clause 5(1)(b)(v) of Schedule 10.8, after “validity period”, insert “or expiry date”.
- 15 Clause 11.15B amended (Trader contracts with customers to permit assignment by Authority)**
In clause 11.15B(1)(a), replace “paragraph (a) or (b) or (f) or (h)” with “paragraph (a), (b), (f), (h) or (i)”.
- 16 Clause 11.15C amended (Process for trader events of default)**
In clause 11.15C(1), replace “paragraph (a) or (b) or (f) or (h)” with “paragraph (a), (b), (f), (h) or (i)”.

17 Schedule 11.1, clause 25 amended

Replace clause 25(6) of Schedule 11.1 with:

“(6) If a **participant** changes the intended date of creation or **decommissioning** after giving notice under subclause (1), the new intended date of creation or **decommissioning** must not be earlier than the original intended date of creation or **decommissioning** given in the notice under subclause (1), and the **participant** must give a replacement notice advising the new intended date of creation or **decommissioning**, as soon as possible after the **participant** decides to change the intended date.”

18 Schedule 11.5, clause 1 amended

Replace clause 1 of Schedule 11.5 with:

“1 Purpose

“The purpose of this Schedule is to set out the process that the **Authority** and each **participant** must comply with when this Schedule applies in accordance with clause 11.15C.”

19 Schedule 11.5, clause 2 amended

Replace the chapeau of clause 2(1) of Schedule 11.5 with:

“(1) The **Authority** must give written notice to a **trader** who has committed an **event of default** of the kind referred to in clause 11.15C (“defaulting **trader**”) that—”

20 Schedule 11.5, clause 4 amended

In clause 4(1)(b)(i) of Schedule 11.5, replace “14.41(b)” with “14.41(1)(b)”.

21 Schedule 11.5, clause 5 amended

In clause 5(1)(a) of Schedule 11.5, replace “14.41(b)” with “14.41(1)(b)”.

22 Schedule 12A.4, Appendix A, clause 5 amended

- (1) In Schedule 12A.4, Appendix A, clause 5.2, after “Schedule 8.”, insert “For the avoidance of doubt, the load controlled by the Trader or any part of it may also be controlled by the Distributor.”
- (2) Replace Schedule 12A.4, Appendix A, clause 5.3 with:

“5.3 Control of load by Entrant if some load controlled by Incumbent: If either party (the “**Entrant**”) seeks to control all or part of a Customer’s load at a Customer’s ICP, but the other party (the “**Incumbent**”) has obtained the right to control all or part of the load at the same ICP in accordance with clause 5.1 or 5.2 (as the case may be), the Entrant:

 - “(a) may control the part of the Customer’s load that the Customer has agreed the Entrant may control under an agreement with the Entrant; and
 - “(b) if any part of that load (including all of that load) is already subject to the Incumbent’s right to control, must control that part of the load in accordance with the protocol agreed under clause 5.6.”
- (3) Replace Schedule 12A.4, Appendix A, clause 5.4, with:

“5.4 No interference with or damage to Incumbent’s Load Control System: Both parties must ensure that neither they nor their Load Control System interferes

with the proper functioning of, or causes damage to, the other party's Load Control System. For the avoidance of doubt, a party De-energising an ICP in accordance with the Code and its contract with its customer is not interference of the other Party's Load Control System provided that the Load Control System returns to its previous functioning when the ICP is Re-energised."

- (4) Replace Schedule 12A.4, Appendix A, clause 5.5, with:
"5.5 **Remedy if interference or damage:** If either party or any part of that party's Load Control System interferes with, or causes damage to, any part of the other party's Load Control system, the first party must, on receiving notice from the other party or on becoming aware of the situation, promptly and at its own cost remove the source of the interference and make good any damage."
- (5) In Schedule 12A.4, Appendix A,—
(a) in clause 5.6, replace "right to control part of any Customer's load" with "right to control all or part of the Customer's load".
(b) in clause 5.6(b)(iii), replace "; and" with ";; and"
(c) after clause 5.6(b)(iv), insert:
 "(v) if applicable, allows both parties to share control of the same load, including in accordance with the priority order in Schedule 8; and
 (vi) contains the same or similar terms as protocols agreed between the Distributor and other Traders;"
- 23 Schedule 12A.4, Appendix A, Schedule 8, clause S8 amended**
In Schedule 12A.4, Appendix A, Schedule 8, clause S8.2, replace "part of" with "all or parts of".
- 24 Clause 13.194 amended (Clearing manager to calculate constrained off amounts)**
In clause 13.194(1), delete the comma after "occurs" and "a generator".
- 25 Schedule 14.14, Form 1, heading amended**
In Schedule 14.4, Form 1, in the heading above clause 1, replace "Form 1" with "Form 1: Fixed Price Fixed Volume".
- 26 Clause 15.10 amended (Participants to provide NSP submission information)**
In clause 15.10, after "Schedule 11.1", insert "(except where clause 15.9 or 15.11 applies in respect of that NSP)".
- 27 Cross heading above clause 15.15 replaced**
In the cross heading above clause 15.15, replace "*Notice of outage constraints or alternative supply*" with "*Additional information and reconciliation processes*".
- 28 Clause 15.15 revoked (Notice of points of connection subject to outages or alternative supply)**
Revoke clause 15.15.
- 29 Clause 15.16 revoked (Balancing area NSP grouping changes)**
Revoke clause 15.16.

- 30 **Clause 15.17 revoked (Submission information to be reviewed in the case of an outage constraint)**
Revoke clause 15.17.
- 31 **Clause 15.38 amended (Functions requiring certification)**
(1) In clause 15.38(1), after “Subject to”, insert “subclause (3), and to”.
(2) After clause 15.38(2), insert:
“(3) A **distributor** that is a **reconciliation participant** need not obtain or maintain **certification** in accordance with subclause (1) if it is a **reconciliation participant** only because it is responsible for an **interconnection point**.”
- 32 **Schedule 15.1, clause 7 amended**
In Schedule 15.1, clauses 7(1) and 7(2), replace “24 months” with “36 months”.
- 33 **Clause 16A.7 amended (Requirement to appoint new auditor)**
After clause 16A.7(3), insert:
“(4) For the purposes of subclause (1)(a)—
“(a) the 24-month period begins on the day the **auditor** first undertakes any work for an **audit** in respect of the **participant** and ends at 5pm on the last day that is 24 calendar months later:
“(b) undertaking any work for an **audit** includes preliminary work such as requesting data, running reports from the **registry** or **participant’s** systems, but does not include engagement activities such as agreeing a contract for services or arranging travel:
“(c) if work for an **audit** has begun before the end of the 24-month period, then the **auditor** may finish that **audit** even if the 24-month period has ended before the **audit** report is delivered to the **participant**.”
- 34 **Clause 16A.8 amended (Combined audits)**
After clause 16A.8(4), insert:
“(5) Despite subclause (2), a **distributor** that is a **reconciliation participant** only because it is responsible for an **interconnection point** may arrange for a single **audit** report to be completed that relates to all of its obligations as a **distributor** and a **reconciliation participant**.”
- 35 **Clause 16A.16 amended (Costs of audits)**
After clause 16A.16(1), insert:
“(1A) The costs of an **audit** referred to in subclause (1) must be paid by the **participant** within 10 **business days** after being advised of the amount owing, or by the due date specified on the invoice, whichever is later.”

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 (“Code”) comes into force on 1 April 2025, except clauses 15, 16, 18 and 19, which comes into force on 1 July 2025.

The amendment makes a variety of independent and relatively minor amendments as part of the Authority’s Code review programme to improve the operation of the Code.

The amendment amends Parts 1, 6A, 7, 8, 10, 11, 12A, 13, 14, 15 and 16A of the Code. The changes include:

- a. revoking the definition of “outage constraint” and removing the provisions relating to outage constraint reports and adjustments of submitted volumes;
- b. clarifying the default distributor agreement template in Schedule 12A.4 to permit sharing of load control between distributors and other parties, and that the parties’ agreed protocol must allow for both parties to share control over the same load, and must be the same (or similar) for all traders;
- c. amending the definition of “ICP” to include a point of connection at which the electrical facility for a generator or direct purchaser is connected to a network other than the grid;
- d. amending the definition of “disclosing participant” to exclude an embedded generator who is not a retailer, and is only purchasing electricity for its own use;
- e. permitting distributors to operate interconnection points without becoming certified, and incorporating the audit of their reconciliation functions associated with interconnection points into distributor audits;
- f. requiring participants to pay the costs of certain audits within 10 business days after being advised of the amount owing, or by the due date specified in the invoice, whichever is later;
- g. clarifying that the certification expiry date for a data storage device is the last day of the applicable validity period, and that certification reports must include either the validity period or expiry date;
- h. clarifying that the Authority may conduct more than one review of the system operator’s performance in any year ending 30 June;
- i. extending the maximum certification period of reconciliation participants to 36 months, to align with existing audit periods;
- j. permitting an ATH (a person who is approved to operate an approved test house) to use another ATH’s recertification reports when recertifying a population of metering installations;
- k. permitting the system operator to specify the date the South Island provider of automatic under-frequency load shedding must provide demand profile information;
- l. clarifying that, if there is a change in the intended date of creation or decommissioning of a network supply point as defined in the Code (“NSP”), the participant must still provide at least 30 days’ notice from the original notification to the changed date;
- m. clarifying when the 2-year period for auditor rotation starts and ends and that an audit started just before the end of the 2-year period may be completed by the same auditor;
- n. removing duplicate obligations on grid owners and generators to provide NSP information to the reconciliation manager;

- o. including, as an event of default that triggers the process under Schedule 11.5 for managing trader default situations, the situation where the clearing manager is prevented from doing (or continuing) business with a participant under the Anti-Money Laundering and Countering Financing of Terrorism Act; and
 - p. making several other technical changes to correct minor typographical and other errors in the Code.
-