

# Code amendment omnibus four

Decision paper

1 May 2025

## Executive summary

The Electricity Authority Te Mana Hiko (Authority) proposed four discrete changes to the Electricity Industry Participation Code 2010 (Code) in our 'Code amendment omnibus four' consultation paper in September 2024.<sup>1</sup> These related to:

- 1) improving consumer access to their electricity information (Part 11 of the Code)
- 2) removing time error management obligations (Part 7 of the Code)
- 3) providing for the clearing manager to settle fixed price variable volume (FPVV) hedges (Part 14 of the Code)
- 4) removing the obligation on the Authority to consult on undisputed under-frequency events (Part 8 of the Code).

The Authority received 13 submissions in response to the consultation paper. There were mixed views with most submitters supporting the proposals, but some were not supportive of the first proposal in full (improving consumer access to their electricity information).<sup>2</sup>

### Improving consumer access to their electricity information

The first proposal comprised three parts, to:

- (a) reduce the timeframe for a retailer to respond to a consumer (or their agent) request for their electricity information
- (b) increase the number of requests a consumer can make for this information free of charge
- (c) clarify what electricity information is to be provided upon request.

We have decided not to proceed with part (a) of the proposal. Submitters were concerned about the overlap between this proposal and the Government's work to establish a consumer data right for electricity in accordance with the Customer and Product Data Act 2025. While the Authority envisaged this part of the proposal as an interim step towards real-time access to consumer information, submitters were concerned that this would not deliver the intended benefits to consumers and potentially add unnecessary costs, if retailers are required to deliver two sets of changes.

Given these concerns, we will instead consider and consult on proposals to more fundamentally improve the transfer of electricity information as part of our ongoing work to enhance consumer mobility. The Authority and the Ministry of Business, Innovation and Employment are working closely together on their respective work programmes, to ensure that any future Code amendment proposals made to improve access to data are aligned with the consumer data right and a potential electricity designation.

We have decided to implement parts (b) and (c) of the proposal, to require retailers to provide more electricity information free of charge and to clarify what electricity information is to be provided.

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<sup>1</sup> [Code amendment omnibus four: September 2024](#)

<sup>2</sup> Of the 11 submissions on Improving consumer access to their electricity information, 7 had some level of support, 2 did not support, and 2 were neutral.

## **Removal of time error management obligations**

The second proposal was to remove the time error management obligations for the system operator. This means the system operator will no longer need to procure frequency keeping ancillary services and make manual adjustments to energy dispatch to meet its time error correction obligations.

This will reduce the wholesale market costs of providing these services as well as the administrative costs for the system operator.

We received two submissions on this proposal. Both submitters fully supported the proposal. There were no comments on the drafting of the Code amendment.

We have decided to implement the proposal without change.

## **Clearing manager to settle FPVV hedges**

The third proposal was to include a new hedge settlement agreement form for FPVV hedges. This will allow the clearing manager to settle these hedges as a matter of course, without needing to obtain the Authority's prior approval.

FPVV hedges are becoming more common in the industry. The Code currently provides for the clearing manager to settle other common types of hedges: fixed price fixed volume, cap/floor spot price, and cap/floor average price.

We received three submissions on this proposal. All submitters fully supported the proposal. There were no comments on the drafting of the Code amendment.

We have decided to implement the proposal without change.

## **Under-frequency events – remove obligation on Authority to consult**

The fourth proposal was to amend the requirement to consult on under-frequency event determinations, so that we only consult where the alleged causer of an under-frequency event is disputed, or where the causer has not been identified.

We received four submissions on this proposal, all in support.

We have decided to implement the proposal without change.

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## 1. Purpose

- 1.1. The Electricity Authority Te Mana Hiko (Authority) has decided to amend several areas of the Electricity Industry Participation Code 2010 (Code). This paper details these decisions and provides the Authority's reasons.

### Code amendment omnibus four

- 1.2. On 3 September 2024, we published 'Code amendment omnibus four: Consultation paper' (the consultation paper) to consult on four proposals to amend the Code. This paper sets out the Authority's decisions on these amendments and gives reasons for each decision.
- 1.3. The consultation paper is available on our website at:  
<https://www.ea.govt.nz/projects/all/code-amendment-omnibus/consultation/code-amendment-omnibus-4/>

**Table 1: List of amendments proceeding**

	Topic	Effective date	Page
1	Amend Part 11 to improve consumers' access to their own electricity information	1 June 2025	8
2	Revoke clause 7.2C to remove the system operator's time error management obligations	1 June 2025	13
3	Amend clause 14.36 and Schedule 14.4 to provide for the clearing manager to settle fixed price variable volume (FPVV) hedges	1 January 2026	15
4	Amend clause 8.61 to remove the obligation on the Authority to consult on undisputed under-frequency events (UFEs)	1 June 2025	20

## 2. Submissions on Code amendment omnibus four

- 2.1. We received submissions on the consultation paper from the 13 parties listed in in Table 2 below. Submissions are available on the Authority's website at:  
<https://www.ea.govt.nz/projects/all/code-amendment-omnibus/consultation/code-amendment-omnibus-4/>
- 2.2. Issues raised by submitters are discussed in the section for the relevant proposal.

**Table 2: List of submitters**

Submitter	Role	Proposals addressed
Contact Energy	Generator retailer	Proposal 1
Cortexo	Consumption data agent	Proposal 1
ENA	Industry organisation	Proposal 4

Flex Forum	Industry organisation	Proposal 1
Flick Electric	Retailer	Proposals 1, 3
Genesis Energy	Generator retailer	Proposals 1, 4
Independent Electricity retailers	Retailer	Proposal 4
Meridian Energy	Generator retailer	Proposals 1, 2, 3, 4
Mercury	Generator retailer	Proposal 1
MEUG	Industry organisation	Proposal 3
Nova Energy	Generator retailer	Proposal 1
Transpower	System operator	Proposals 1, 2, 4
Utilities Disputes	Dispute resolution service	Proposal 1

### Feedback on the omnibus process

- 2.3. Overall feedback on the omnibus process was positive. One submitter suggested the omnibus title could usefully indicate the relevant policy programme the proposal came under. The Authority has made changes to the title page of the omnibus in response to this feedback.
- 2.4. Another submitter considered some issues addressed in the current and recent omnibus proposals were less straightforward than the Authority assumed and warranted a 'deeper dive' than the process allows for.
- 2.5. That submitter suggested the Authority could ask, for each item addressed in an omnibus process, whether submitters think the issue was relatively technical and/or non-controversial.
- 2.6. The Authority will consider these suggestions for future omnibus processes.

## 3. The amendments promote our statutory objectives and are consistent with regulatory requirements

- 3.1. 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.
- 3.2. 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 and small business consumers.
- 3.3. 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 as noted below, and in each section of

the Authority's previous consultation paper. To the extent the Authority's additional objective applies (in relation to Proposal 1), the Authority is also satisfied that the amendments promote that objective.

### **The amendments are consistent with regulatory requirements**

- 3.4. The Code amendments are consistent with the requirements of section 32(1) of the Act. The amendments are also consistent with the Authority's Code amendment principles in that there is a clear case for regulation, and the costs and benefits of the proposals have been summarised (in the consultation paper).

## **4. How the amended Code wording is displayed in this decision paper**

- 4.1. Code amendments in this decision paper are displayed as:
- (a) added text or formatting is underlined
  - (b) deleted text is ~~striketrough~~
  - (c) additional added text or formatting compared to the consultation paper are red
  - (d) additional deleted text compared to the consultation paper is ~~red~~

## **5. Improving consumer access to their electricity information**

### **The Authority's proposal**

- 5.1. The Authority proposed three specific changes to clauses 11.32A and 11.32B to:
- (a) reduce the timeframe for a retailer to respond to a consumer (or agent) request for their electricity information, from five business days to one business days for most requests
  - (b) increase the number of free requests a consumer can make for this information free of charge, from four to 12 for the first 12-month period after the Code amendment takes effect, and for all requests made after that period to be free of charge
  - (c) clarify what electricity information is to be provided upon request, in particular clarifying that information about exported generation and raw meter data is included.

### **The Authority has decided to implement an amended form of the proposal**

- 5.2. The Authority has decided to not proceed with the first part of the proposal, relating to reduced timeframes for responding to electricity information requests, and proceed with the second and third parts of the proposal relating to increasing free access to data and clarifying what electricity information is to be provided upon request.
- 5.3. The Code amendment will come into force on 1 June 2025.

### **Submissions and the Authority's response**

- 5.4. There were 11 submissions on the proposal.
- 5.5. All submissions were supportive of the overall intent of the proposal, which is to increase access to a consumer's own electricity information.
- 5.6. All submissions commented on the first part of the proposal – to reduce the timeframes for responding to the requests. The feedback we received on this part of the proposal was opposed and is discussed further below.
- 5.7. Eight submitters commented on the second and third parts of the proposal – increasing the number of free requests and clarifying what electricity information is to be provided upon request. Of these submitters, seven supported these parts of the proposal and one did not. Four submitters commented on these parts of the proposal.
- 5.8. Submitters' comments are discussed below.

### **Submitter views on part 1 of the proposal**

- 5.9. Six submitters noted the overlap between the first part of the Authority's proposal – reducing the timeframes for responding to requests – and the Government's work to



establish a consumer data right (CDR) for electricity<sup>3</sup>, recently consulted on by the Ministry of Business, Innovation and Employment (MBIE). This is being progressed through the Customer and Product Data Act (CDR Act), which received royal assent on 29 March 2025.

- 5.10. These submitters considered that progressing a combined workplan (Authority and MBIE) would deliver better outcomes for consumers than the incremental change proposed by the Authority. MBIE received similar feedback when it consulted on the CDR for electricity. Some submitters noted the risk that additional costs may be incurred by participants if they are required to deliver two sets of changes.
- 5.11. Two submitters did not consider the proposal went far enough and submitted that automated data exchanges (like what is proposed under the CDR) would be required to create incremental value to the current regime.

### **Authority's response**

- 5.12. The Authority and MBIE are working closely together within their respective workstreams to ensure that any future Code amendment proposals made to improve access to data are aligned with the CDR and a potential electricity designation.
- 5.13. The Authority's objective is to move towards real-time access to consumer information in the near future. As explained in the consultation paper, this part of the proposal was envisaged as an interim step, to signal to the industry the need to consider automation of systems to provide this service efficiently.
- 5.14. The Authority acknowledges concerns that this interim step could unnecessarily increase business costs, particularly if this overlaps with a potential CDR for the electricity sector. Considering that changes to data exchange systems will need to be explored as part of the establishment of an electricity CDR, there is a desire to align the Authority's efforts to achieve our stated future state with the progression of a CDR.
- 5.15. As such, we have decided to withdraw this part of the proposal. We will instead consider, and consult on, proposals to improve the transfer of electricity information as part of our ongoing work to enhance consumer mobility.

### **Submitter views on the volume of electricity information requests**

- 5.16. In relation to part two of the proposal – increasing the number of free requests, only one submitter suggested that the current volume of requests did not justify the need to change the number of free requests.

### **Authority's response**

- 5.17. The Authority has had discussions with one agent that noted the existing limit of four free requests each year is a barrier to them expanding their service. The Authority notes the current volumes may be low but expects these volumes to increase as the information becomes more easily available through the Authority's 'Enhancing

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<sup>3</sup> See <https://www.mbie.govt.nz/business-and-employment/business/competition-regulation-and-policy/consumer-data-right>

Customer Mobility' work. We also expect automation will reduce the incremental cost of processing requests.

### **Submitter views on the 1 March 2026 transition date**

- 5.18. Three submitters commented on the 1 March 2026 proposed transition date for part two of the proposal, after which retailers would be unable to charge fees for responding to any requests. Two were unsure about what the date meant, and one suggested this be aligned to the financial year.

### **Authority's response**

- 5.19. The Authority notes the second part of the proposal provided for a two-stage change:
- (a) First, for one year from the date the Code amendment becomes effective, retailers must provide each consumer 12 free responses and may charge reasonable costs for any further requests made in that year.
  - (b) Second, after the first year, all requests for electricity information are free of charge, no matter how many requests a consumer makes.
- 5.20. The 1 March 2026 date reflected our expectation that the proposed Code amendment would have been in force on 1 March 2025. The Authority did not consider it necessary to align this change to the financial year. As this decision has been released later, the Authority has made a consequential amendment to the proposal to ensure the first stage remains one year, from 1 June 2025 to 1 June 2026.
- 5.21. From 1 June 2026, retailers must not charge for providing responses.

### **Submitter views on what information is to be provided**

- 5.22. In relation to the third part of the proposal – clarifying what electricity information is to be provided upon request, one submitter suggested that the phrase "... or services provided...", proposed to be included in clause 11.32A(2)(a), made the scope of electricity information that can be requested too broad.

### **Authority's response**

- 5.23. The Authority notes that information used by the retailer to 'provide any service to the consumer' is already included in the obligation to provide electricity information, under clause 11.32A(2)(b)(ii). The proposal adopted that same wording for paragraph (a) for consistency to ensure that it is clear that information about distributed generation is captured even in periods where there is no supply of electricity (ie, no consumption).

### **The amendment will promote the efficient operation of the electricity industry**

- 5.24. 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:
- (a) promote competition in the electricity industry by allowing innovators to develop products and services that utilise consumption information

- (b) protect the interests of domestic and small business consumers regarding the supply of electricity to those consumers, by increasing access to data needed for consumers to make informed decisions and to engage with innovative services and products.

## The final Code amendment

5.25. The Code amendment approved by the Authority:

### 1.1 Interpretation

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

...

**raw meter data** means—

- (a) ~~for the purposes of Part 10 except for Part 15, information obtained by the~~ **interrogation** of a **metering installation**; or
- (b) for the purposes of Part 15, information obtained from a **metering installation** by 1 of the following **interrogation** methods:
  - (i) locally by way of a handheld computer or recording device (in which case it must take the form of a downloaded file); or
  - (ii) locally by way of any other manual record (in which case it must take the form of the first entry in a database system); or
  - (iii) remotely (in which case it must take the form of database records), but excluding data transmission between **meters** and data concentrators that are relaying information into the **back office**

...

## Part 11 Registry information management

...

*Access by consumers to their own electricity information ~~about their own electricity~~ consumption*

### 11.32A Retailers must give consumers their electricity information ~~about consumer electricity consumption~~

- (1) Each **retailer** must, if requested by a **consumer** with whom the **retailer** has a contract to supply **electricity**, or with whom the **retailer** has had such a contract in the last 24 months, give the **consumer** any of the information specified in subclause (2) that the **consumer** requests.
- (2) The information referred to in subclause (1) is information relating to any period in the 24 months preceding the request—
  - (a) about the **consumer's** consumption of **electricity**, injection of **electricity** into a **network**, or services provided to the **consumer**, ~~at relating to each ICP at which the **retailer** had a contract to supply~~ **supplied electricity to the **consumer**, including raw meter data**; and
  - (b) used by the **retailer** to—
    - (i) calculate the amount of **electricity** consumed or injected into a **network** by the **consumer** at each **ICP**; or
    - (ii) provide any service to the **consumer**.

...

### 11.32B Requests for information

- (1) A **retailer** to which a request is made ~~under clause 11.32A~~ must give the information to the **consumer** ~~as soon as practicable and in order to ensure that the retailer achieves the measures in subclause (1A).~~ no later than
- ~~(1A) The retailer must respond to requests from consumers under clause 11.32A so as to ensure that it meets the following measures in respect of all requests received from all consumers:~~
- ~~(a) — at least 70% of requests it receives in any 12-month period are responded to within 1 business day after the date on which the requests are made;~~
  - ~~(b) — at least 90% of requests it receives in any 12-month period are responded to within 2 business days after the date on which the requests are made; and~~
  - ~~(c) — all requests are responded to within 5 business days after the date on which the requests are made.~~

...

- (3) A **retailer** must not charge a fee for responding to a request, but if a **consumer** makes more than 12 requests in the 12 month period before 1 March 2026 in respect of a **consumer's** information have been made in a 12-month period, the **retailer** may impose a reasonable charge for further requests in that 12-month period.

...

## 6. Removal of time error management obligations

### The Authority's proposal

- 6.1. The Authority proposed to remove the time error management obligations for the system operator. This will reduce the wholesale market costs of providing these services as well as the administrative costs for the system operator.

### The Authority has decided to implement the proposal without change

- 6.2. The Authority has decided to implement the proposal without change from that in the consultation paper.
- 6.3. The Code amendment will come into force on 1 June 2025.

### Submissions and the Authority's response

#### Submitter views on the proposal

- 6.4. There were two submissions on the proposal. Both submitters were supportive, and there were no comments on the Code drafting.

#### Authority's response

- 6.5. The Authority has decided to implement the proposal as proposed.

### 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 section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry by removing costs of managing time error that the system operator currently bears.
- 6.7. The Code amendment is consistent with the Authority's statutory objectives, and sections 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry. It will reduce the wholesale market costs of providing these services as well as the administrative costs for the system operator.

### The final Code amendment

- 6.8. The Code amendment approved by the Authority:

## Part 7 System operator

...

### 7.2C ~~[Revoked]~~ System operator to manage frequency time error

- (1) ~~The system operator must ensure that any deviations from New Zealand standard time in the power system, caused by variations in system frequency, do not exceed 5 seconds.~~
- (2) ~~At least once in each day, the system operator must eliminate from the power system any deviations from New Zealand standard time caused by variations in system frequency.~~

...

## Part 8 Common quality

...

### 8.18 Contributions by purchasers to overall frequency management

Each **purchaser** must limit the magnitude of any instantaneous change in the **offtake** of **electricity** and net rate of change in **offtake** to the levels the **system operator** reasonably requires. In setting those requirements, the **system operator** must have regard to the impact of the **offtake** on the **system operator's** ability to comply with the **principal performance obligations** concerning frequency (as set out in clauses 7.2A and 7.2B ~~to 7.2C~~) and the **dispatch objective**.

...

## 7. Clearing manager to settle FPVV hedges

### **The Authority's proposal**

- 7.1. The Authority proposed to permit the clearing manager to settle fixed price variable volume (FPVV) hedges using a new form of Hedge Settlement Agreement (HSA). The HSA will cater for different types of FPVV hedges. Because of the complexity in adding washup provisions, the HSA will only settle once on the initial billing period volumes, and later washups (if any) will not be resettled by the clearing manager.

### **The Authority has decided to implement the proposal without change**

- 7.2. The Authority has decided to implement the proposal without change from that in the consultation paper.
- 7.3. The Code amendment will come into force on 1 January 2026. This is to allow time for the clearing manager to integrate the new HSA into the clearing and prudential security systems.

### **Submissions and the Authority's response**

#### **Submitter views on the proposal**

- 7.4. There were three submissions on the proposal. All submitters were supportive, and there were no comments on the Code drafting.

#### **Authority's response**

- 7.5. The Authority has decided to implement the proposal as proposed.

### **The amendment will promote the efficient operation of the electricity industry**

- 7.6. 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 by reducing administration and prudential costs for hedge parties.

## The final Code amendment

7.7. The Code amendment approved by the Authority:

### Part 14 Clearing and settlement

...

#### 14.36 Clearing manager to conduct washups

- (1) If the **clearing manager** receives corrected information in accordance with clauses 8.68, 8.69, 15.20C(b), 15.26(4), or clause 28 of Schedule 15.4, it must conduct **washups** and advise **participants** of amounts owing in accordance with this subpart.
- (2) Subclause (1) does not apply to **hedge settlement agreements** that are submitted to the **clearing manager** in the form set out in Form 4 in Schedule 14.4.

...

### Schedule 14.4

cl 14.8

...

#### Form 4: Fixed Price Variable Volume

Date: [Enter date]

Party A	
Party B	

#### 1 Lodging of hedge settlement agreement

- (1) Party A and Party B (the **parties**) submit this **hedge settlement agreement** to the **clearing manager**, as contemplated by clause 14.8 of the Electricity Industry Participation Code 2010 (the **Code**). Terms that are used in this agreement but not defined bear the meaning given to them in the **Code**.
- (2) By submitting this **hedge settlement agreement** to the **clearing manager** in accordance with clause 14.8 of the **Code**, the **parties** agree to be bound by the terms set out below from the time at which the **clearing manager** counter-signs it.
- (3) If the **clearing manager** counter-signs this document then, from the time it counter-signs, it has obligations relating to it under the **Code**. However, the **parties** acknowledge the **clearing manager** is not bound by this document and that its obligations in relation to it are limited to those set out in the **Code**.
- (4) The **parties** acknowledge this **hedge settlement agreement** is excluded from **washups** under clause 14.36 of the **Code**. Any revision in volume which the **parties** wish to be reflected in the settlement of the hedge must be resolved bilaterally between the **parties** outside of this **hedge settlement agreement** and with no facilitation obligations on the **clearing manager**.

#### 2 Definitions

The following definitions apply in this document:



**aggregate fixed amount** means, in relation to a **billing period**, the sum of the **fixed amounts** for each **calculation period** in that **billing period**

**aggregate floating amount** means, in relation to a **billing period**, the sum of the **floating amounts** for each **calculation period** in that **billing period**

**baseload** means the amount of **electricity** in **MWhs** that is to be excluded from the total reconciled **electricity** volume to calculate the **variable quantity**

**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**

**calculation period** means a **trading period** during the **term**

**commencement date** means the date specified as such in the schedule

**expiry date** means the date specified as such in the schedule

**fixed amount** means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{fixed amount} = (\text{variable quantity percentage} \times \text{variable quantity}) \times \text{fixed price}$$

**fixed price** means, in relation to a **calculation period**, the amount specified as such for that **calculation period** in the schedule

**fixed price payer** means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

**floating amount** means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{floating amount} = (\text{variable quantity percentage} \times \text{variable quantity}) \times \text{floating price}$$

**floating price** means, in relation to a **calculation period**, the **final price** per **MWh** for that **calculation period** by reference to the **hedge reference point** [rounded to two decimal places]

**floating price payer** means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

**hedge reference point** means the **grid exit point** specified as such in the schedule

**hedge settlement amount** means, in relation to a **billing period**, the absolute value of the amount calculated by subtracting the **aggregate floating amount** from the **aggregate fixed amount**

**maximum variable quantity** means the maximum amount in **MWh** that the **variable quantity** must not exceed

**settlement date** means the date on which payments are due under clause 14.31 of the Code

**term** means the period from 00.00 hours on the **commencement date** until 23.59 hours on the date on which the **hedge settlement agreement** terminates

**variable quantity** means, in relation to a **calculation period**, the amount of **MWhs** calculated using the following formula

$$\text{variable quantity} = \text{lesser of: (total reconciled electricity volume for the calculation period} - \text{baseload) or maximum variable quantity}$$

variable quantity percentage means, in relation to the **variable quantity**, the percentage of the **variable quantity** to be hedged.

### **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 5<sup>th</sup> **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7<sup>th</sup> **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 9<sup>th</sup> **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

### **4 Termination**

This **hedge settlement agreement** terminates on the earlier of:

- (a) the **expiry date**; and
- (b) the date on which it is cancelled under the **Code**.

### **5 Other provisions**

- (1) The **fixed price** is inclusive of any additional costs arising due to carbon charges.
- (2) Where the terms of this **hedge settlement agreement** include reference to—
  - (a) day, this means both **business days** and non-**business days**;
  - (b) weekday, this means a **business day**;
  - (c) weekend, this means non-**business days**.
- (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.

## **EXECUTION**

[Execution Block Party A]

[Execution Block Party B]

The **clearing manager** accepts the lodgement of this **hedge settlement agreement** by counter-signing it.

[Execution Block clearing manager]

**SCHEDULE**  
**TERMS OF HEDGE SETTLEMENT AGREEMENT**

<b><u>Hedge settlement agreement terms</u></b>	
<u>Commencement Date</u>	<u>[Insert date]</u>
<u>Expiry Date</u>	<u>[Insert date]</u>
<u>Fixed Price Payer</u>	<u>[Party A] [Party B]</u>
<u>Floating Price Payer</u>	<u>[Party A] [Party B]</u>
<u>Fixed Price</u>	<u>\$[insert amount] /MWh</u>
<u>Baseload</u>	<u>[insert amount] MWh</u>
<u>Maximum variable quantity</u>	<u>[insert amount] MWh</u>
<u>Variable quantity percentage</u>	<u>[insert percentage]</u>
<u>Hedge Reference Point</u>	<u>[insert <b>grid exit point</b>]</u>

## **8. Under-frequency events – removing the obligation for the Authority to consult on non-contentious draft determinations on causer**

### **The Authority's proposal**

- 8.1. The Authority proposed to amend the Code so that we are only required to consult on under-frequency events (UFEs) where the causer is not identified, or the alleged causer denies responsibility.
- 8.2. Where the identified causer of a UFE accepts that it was the causer, the Authority would be required to provide that party with a copy of its draft determination for comment.
- 8.3. The proposal would reduce the time taken to finalise Authority decisions on uncontested UFE matters.

### **The Authority has decided to implement the proposal without change**

- 8.4. The Authority has decided to implement the proposal without change as consulted.
- 8.5. The Code amendment will come into force on 1 June 2025.

### **Submissions and the Authority's response**

#### **Submitter views**

- 8.6. There were four submissions on the proposal. All submitters were supportive, with no suggested amendments.
- 8.7. Transpower New Zealand Limited questioned whether the proposed drafting suggests the process should be able to conclude that there may not be an identifiable causer, and if this was intended.

#### **Authority's response**

- 8.8. The Authority has decided to implement the proposal as consulted.
- 8.9. Transpower questioned whether the proposal suggested that the process could conclude that a causer of an under frequency event could not be determined. We aim to remove the obligation to publish a draft determination if the causer is identified and accepts responsibility. While the system operator might not identify a causer, the Authority must determine if a participant caused the event and, if so, identify them. If the system operator's report does not identify a causer, the Authority must still publish a draft determination identifying any possible alleged causer.

### **The amendment will promote the efficient operation of the electricity industry**

- 8.10. The Code amendment is consistent with the Authority's statutory objectives under section 15 of the Act, and with sections 32(1)(c) and 32(1)(e) of the Act, because it

would contribute to the efficient operation of the electricity industry for the long-term benefit of consumers.

- 8.11. We believe this amendment would help speed up decisions where there is no dispute about who is the causer of the UFE. This aligns with section 32(1)(e) of the Act in that the performance of the functions of the Authority would be improved.
- 8.12. In support of our main objective, this proposed amendment would also align with section 32(1) of the Act in that it will support the efficient operation of the electricity industry by not consuming resources of industry participants and the Authority generating and responding to draft UFE reports for straightforward matters.

### **The final Code amendment**

- 8.13. The Code amendment approved by the Authority:

#### **Part 8**

...

#### **8.61 Authority to determine causer of under-frequency event**

...

- (2) In circumstances where the **causer** of an **under-frequency event** is not identified in the **system operator's** report, or the alleged **causer** as identified in the **system operator's** report denies it is the **causer**, **The Authority must publish** a draft determination that states whether the **under-frequency event** was caused by a **participant** and, if so, the identity of the **causer**.
- (2A) In circumstances where the **causer** of an **under-frequency event** is identified in the **system operator's** report and the alleged **causer** accepts it is the **causer**, the **Authority** must provide a draft determination, for comment, to the **causer** that states the identity of the **causer**, but is not required to publish the draft determination or otherwise consult on the draft determination under subclause (4).
- ...
- (9) Following the opportunity for comment under subclause (2A) or consultation under subclause (4), the **Authority** must **publish** a final determination.