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Electricity Industry Participation Code (Emergency Reserve) Amendment 2026

This amendment to the Electricity Industry Participation Code 2010 (Code) is made under section 38 of the Electricity Industry Act 2010 (Act) by the Electricity Authority, having complied with section 39 of that Act.

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Amendment

1 Title

This is the Electricity Industry Participation Code (Emergency Reserve) Amendment 2026.

2 Commencement

This amendment comes into force on 1 March 2026.

3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

Part 1

Amendments to Part 1 of Electricity Industry Participation Code

4 Clause 1.1 amended (Interpretation)

(1) In clause 1.1(1), insert in their appropriate alphabetical order:

activate, for the purpose of **emergency reserve**, means the process of issuing instructions and notifications to providers of **emergency reserve** for the use of **emergency reserve** in real time, as specified in the **procurement plan**

emergency reserve means

- (a) an **ancillary service** that provides access to generation capacity or load that can be used to minimise the **electrical disconnection of demand** in a **grid emergency**, as specified in the **procurement plan**; but
- (b) excludes any generating capacity or load that
 - (i) otherwise provides services –
 - (A) in the **wholesale market** other than **black start**; or
 - (B) in response to a contract or other arrangement with a **purchaser** or **asset owner** in circumstances that may correspond with a **grid emergency**; or
 - (ii) has been used to provide the services referred to in paragraph (i) within the 12 months prior to being offered for use as **emergency reserve**, except for

- (A) load that has been used to provide **interruptible load** but is no longer being offered for use as **interruptible load**; or
- (B) generating capacity or load that has been used to provide a service but where provision of the service ceased due to circumstances outside the **ancillary service agent's** control; or
- (iii) is provided by an **energy storage system**, other than an **energy storage system** that is located on a **consumer's** premises for the purpose of reducing demand from the **grid**

emergency reserve event is an event involving the **pre-activation or activation of emergency reserve** in a **grid emergency**, or when a **grid emergency** is reasonably foreseeable by the **system operator**, in accordance with an **emergency reserve** contract and as specified in the **procurement plan**

emergency reserve event cost means the total costs payable under **emergency reserve** contracts relating to an **emergency reserve event** within a **billing period**

emergency reserve event trading period means the relevant **trading period** or periods in which an **emergency reserve event** occurs

emergency reserve pre-event cost means the total amount of pre-event costs payable under **emergency reserve** contracts within a **billing period**

emergency reserve pre-event trading period means the relevant **trading period** or periods in which the **system operator** determines that **emergency reserve** must be available, as specified in the **procurement plan** or **emergency reserve** contract

pre-activate, for the purposes of **emergency reserve**, means the process of issuing instructions and notifications to providers of **emergency reserve** to prepare for the use of **emergency reserve**, as specified in the **procurement plan**

- (2) In clause 1.1(1), definition of **allocable cost**, replace “8.58” with “8.58A”.
- (3) In clause 1.1(1), definition of **ancillary service**, after “**black start**,” insert “**emergency reserve**.”
- (4) In clause 1.1(1), definition of **bona fide physical reason**, after paragraph (ba), insert:
 - (bb) in relation to an **ancillary service agent** providing **emergency reserve**,—
 - (i) a reasonably unforeseeable full or partial loss of demand or reserve capability (as the case may be) that is the subject of an **ancillary service arrangement** to provide **emergency reserve**; or
 - (ii) a reasonably unforeseeable full or partial loss of generating capability from an item of **generating plant** that is the subject of an **ancillary service arrangement** to provide **emergency reserve**; or
 - (iii) a reasonably unforeseeable change in circumstances such that the **ancillary service agent** will breach any consent held by it under the Resource Management Act 1991; and
- (5) In clause 1.1(1), definition of **controllable load**,—

- (a) in paragraph (c), after “**dispatch notification generator**” insert “; and”; and
- (b) after paragraph (c), insert:
 - (d) any contracted **emergency reserve**

(6) In clause 1.1(1), replace the definition of **expected unserved energy** with:
expected unserved energy means a forecast of the aggregate amount by which the **demand** for electricity exceeds the **supply** of electricity at each **grid exit point** as a result of—

- (a) likely planned or unplanned outages of **primary transmission equipment**; or
- (b) a **grid emergency**

Part 2

Amendments to Part 8 of Electricity Industry Participation Code

5 Subpart 4 heading in Part 8 amended

In Part 8, in the subpart 4 heading, insert “and emergency reserve” after “**Interruptible load**”.

6 Clause 8.54A amended (Contents of this subpart)

In clause 8.54A, after “**interruptible load**” insert “and **emergency reserve**”.

7 Clause 8.54B amended (Ancillary service agents to provide information about interruptible load)

- (1) In the heading to clause 8.54B, after “**interruptible load**” insert “and **emergency reserve**”.
- (2) In clause 8.54B, insert “**or emergency reserve**” after “**interruptible load**” in each place.
- (3) In clause 8.54B(2)(b), insert “**activated or**” before “**interrupted**”.

8 New clause 8.54BA inserted (Provision of information about the use of emergency reserve)

After clause 8.54B, insert:

8.54BA Provision of information about the use of emergency reserve

The **system operator** must, within 20 **business days** of the conclusion of a **grid emergency** for which the **system operator** has procured or **activated emergency reserve**, publish a report containing:

- (a) the total amount of **emergency reserve** procured in anticipation of the **grid emergency**;
- (b) the total amounts of **emergency reserve pre-activated** or **activated** during the **grid emergency**;
- (c) the estimated **emergency reserve pre-event cost** related to the **grid emergency** and the corresponding **emergency reserve pre-event trading periods**;
- (d) the estimated **emergency reserve event cost** related to the **grid emergency** and the corresponding **emergency reserve event trading periods**;

- (e) the estimated **expected unserved energy** that was avoided by the **activation of emergency reserve**; and
- (f) the estimated **value of expected unserved energy** that was avoided by the **activation of emergency reserve**.

9 New clause 8.58A inserted (Emergency reserve costs are allocated to purchasers)

After clause 8.58, insert:

8.58A Emergency reserve costs are allocated to purchasers

The **allocable cost of emergency reserve** must be paid by **purchasers** to the **system operator** in accordance with the process in clause 8.68. Those costs must be calculated in accordance with the following formula:

$$\text{Share}_{PURx} = \left[\frac{ERP_{ct} \times \max(0, \sum_t ERPOfftake_{PURxt})}{\sum_x \max(0, \sum_t ERPOfftake_{PURxt})} \right] + \left[\frac{ERE_{ct} \times \max(0, \sum_t EREOfftake_{PURxt})}{\sum_x \max(0, \sum_t EREOfftake_{PURxt})} \right]$$

where

Share_{PURx} is **purchaser x's share of emergency reserve allocable costs**.

ERP_{ct} is the **emergency reserve pre-event cost** in the **billing period**.

ERPOfftake_{PURxt} is the **total reconciled quantity in kWh for purchaser x across all grid exit points in emergency reserve pre-event trading periods in the billing period**.

ERE_{ct} is the **emergency reserve event cost** in the **billing period**.

EREOfftake_{PURxt} is the **total reconciled quantity in kWh for purchaser x across all grid exit points in emergency reserve event trading periods in the billing period**.

10 Schedule 8.3, Technical Code B, new clause 5B inserted

In Schedule 8.3, Technical Code B, after clause 5A insert:

5B An **ancillary service agent** must, as soon as reasonably practicable following a request by the **system operator**, inform the system operator of its available **emergency reserve** using a method or form agreed with the **system operator**.

11 Schedule 8.3, Technical Code B, clause 6 amended

In Schedule 8.3, Technical Code B, clause 6(1), after paragraph (c) insert:

(ca) **activate emergency reserve**:

(2) In Schedule 8.3, Technical Code B, clause 6(2), after paragraph (c) insert:
(ca) **activate emergency reserve:**

12 Schedule 8.3, Technical Code B, clause 7 amended

In Schedule 8.3, Technical Code B, clause 7, after “**interruptible load**” insert “or **emergency reserve**” in each place.

13 Schedule 8.3, Technical Code B, clause 9 amended

In Schedule 8.3, Technical Code B, clause 9, insert as subclause (2):

(2) For the purpose of subclause (1), **ancillary service agent** does not include a person in respect of that person’s provision of **emergency reserve**.

Part 3

Amendments to Part 12 of Electricity Industry Participation Code

14 Schedule 12.2, clause 4 amended

In Schedule 12.2, clause 4(1),—

(a) after paragraph (a), insert:
(ab) \$35,305 per **MWh** for the purpose of **emergency reserve**; or
(b) in paragraph (b), after “value” insert “, including for **emergency reserve**.”.

Part 4

Amendments to Part 13 of Electricity Industry Participation Code

15 Schedule 13.3AA, clause 3 amended

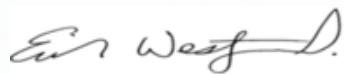
(1) In Schedule 13.3AA, clause 3(1), after “6(2)(d),” insert “or the **activation of emergency reserve** in accordance with Schedule 8.3, Technical Code B, clause 6(1)(ca) or 6(2)(ca),”

(2) In Schedule 13.3AA, clause 3(2), replace “instructed the **electrical disconnection of demand**” with “made an instruction”.

(3) In Schedule 13.3AA, clause 3(4), delete “to **electrically disconnect demand**”.

(4) In Schedule 13.3AA, clause 3, after subclause (4), insert:
(5) Subclauses (1) to (3) do not apply in relation to the **activation of emergency reserve** if the **system operator** undertakes a different process that ensures that the **dispatch price** is not reduced as a result of the **activation of emergency reserve**.

Made at Wellington on 12 January 2026



Electricity Authority

Certified in order for signature:



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19 December 2025



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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 March 2026.

The amendment amends Parts 1, 8, 12 and 13 of the Code to modify the framework for the provision of ancillary services to enable the procurement by the system operator of a new emergency reserve ancillary service. Emergency reserve is an ancillary service that provides access to generation capacity or load that can be used to minimise the electrical disconnection of demand in a grid emergency.

<p>This is secondary legislation issued under the authority of the Legislation Act 2019.</p>	
Title	Electricity Industry Participation Code (Emergency Reserve) Amendment 2026
Principal or amendment	Amendment
Consolidated version	No
Empowering Act and provisions	Electricity Industry Act 2010, section 38
Replacement empowering Act and provisions	Not applicable
Maker name	Electricity Authority
Administering agency	Electricity Authority
Date made	<i>12 January 2026</i>
Publication date	<i>13 January 2026</i>
Notification date	<i>13 January 2026</i>
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Consolidation as at date	Not applicable
Related instruments	Electricity Industry Participation Code 2010