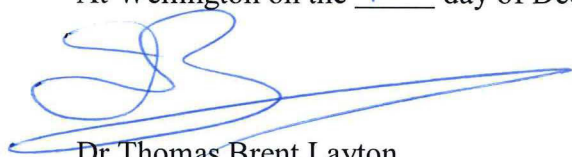


Electricity Industry Participation Code Amendment (Extended Reserve) 2016

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 19th day of December 2016



Dr Thomas Brent Layton
Chairperson
Electricity Authority

Certified in order for signature:



Andrew Springett
Senior Legal Counsel
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Partner
Buddle Findlay

19 December 2016

16 December 2016

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Amendment

1 Title

This is the Electricity Industry Participation Code Amendment (Extended Reserve) 2016.

2 Commencement

This amendment comes into force on 19 January 2017.

3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

4 New clause 8.1A inserted (Requirement to provide complete and accurate information)

After clause 8.1, insert:

"8.1A Requirement to provide complete and accurate information

"(1) A **participant** must take all practicable steps to ensure that information that it provides to the **extended reserve manager** under this Part is—

"(a) complete and accurate; and

"(b) not misleading or deceptive; and

"(c) not likely to mislead or deceive.

"(2) If a **participant** provides information to the **extended reserve manager** under this Part, and subsequently becomes aware that the information is incomplete, inaccurate, misleading or deceptive, or likely to mislead or deceive, the **participant** must provide revised information as soon as practicable.

"(3) For the purpose of this clause, information provided by an **asset owner** to the **extended reserve manager** is deemed to be accurate if it complies with a data specification **published** by the **extended reserve manager**."

5 Clause 8.4 replaced (System operator may rely on information provided)

Replace clause 8.4 with:

"8.4 System operator may rely on information provided

For the purposes of this Code, the **system operator** may—

"(a) rely on the **assets** and information about the **assets** made available to the **system operator** by **asset owners**; and

- "(b) assume that **asset owners** are complying with the **asset owner performance obligations** and the **technical codes**, or complying with a valid **dispensation or equivalence arrangement**; and
- "(c) rely on information provided to the **system operator** by the **extended reserve manager**."

6 Clause 8.54J amended (Extended reserve manager to undertake reserve selection process)

After clause 8.54J(11), insert:

"(12) Despite subclause (6), the **extended reserve manager** must, within 2 **business days** after **publishing** the **extended reserve procurement schedule** under subclause (5), provide a copy of the **extended reserve procurement schedule** to the **clearing manager**."

7 Clause 8.54K amended (Information required for extended reserve selection process)

- (1) In clause 8.54K(1), after "**extended reserve selection methodology**", insert ", other than a **generator** that is directly **connected** to the **grid**,".
- (2) Replace clause 8.54K(2) with:
 - "(2) Each **asset owner** required to give information to the **extended reserve manager**, must do so—
 - "(a) within the time frame specified in the **extended reserve selection methodology**; and
 - "(b) in accordance with the **extended reserve selection methodology**, data specification and **extended reserve manager** calendar **published** by the **extended reserve manager**."

8 Clause 8.54N amended (Terms and conditions applying to the provision of extended reserve)

In clause 8.54N, replace "the terms and conditions" with "the default terms and conditions".

9 Clause 8.54O amended (System operator to publish and maintain extended reserve schedule)

- (1) In clause 8.54O(3)(c), after "any amendment to", insert "default".
- (2) After clause 8.54O(4), insert:
 - "(5) Despite subclause (2), the **system operator** must, within 2 **business days** of **publishing** the **extended reserve schedule** under subclause (1), provide a copy of the **extended reserve schedule** to the **extended reserve manager**."

10 Clause 8.54Q amended (System operator to advise clearing manager of dates)

- (1) In the heading to clause 8.54Q, delete "clearing manager of".
- (2) In clause 8.54Q(1) and clause 8.54Q(2)(b), after "the **Authority**", insert ", the **extended reserve manager**,".

11 New clauses 8.54TA to 8.54TD and cross heading inserted

After clause 8.54T, insert:

"8.54TA Extended reserve manager may rely on information provided

For the purposes of this Code, the **extended reserve manager** may rely on the information provided to the **extended reserve manager** by an **asset owner**.

"8.54TB Extended reserve manager to consider new or revised information

- "(1) If the **extended reserve manager** receives new or revised information from an **asset owner**, it must provide that information to the **Authority** if it considers that the information would change the outcome of the processes specified in clauses 8.54J, 8.54K, or 8.54L.
- "(2) If the **extended reserve manager** provides the information to the **Authority** under subclause (1), the **Authority** may direct the **extended reserve manager** to undertake the **extended reserve** selection process under clause 8.54J again.

"8.54TC Extended reserve manager to produce periodic performance report

- "(1) The **extended reserve manager** must—
 - "(a) monitor the performance of **extended reserve**; and
 - "(b) produce a periodic performance report that reports on the outcome of its monitoring of the performance of **extended reserve**.
- "(2) The time period to be covered in the periodic performance report must be agreed between the **extended reserve manager** and the **Authority**.
- "(3) The **extended reserve manager** must provide the periodic performance report to the **Authority** and the **system operator** no later than 30 **business days** after the end of each periodic performance reporting period.
- "(4) The **extended reserve manager** must, no later than 5 **business days** after finalising the periodic performance report, **publish** a copy of the report that excludes any information that, if **published**, would be likely unreasonably to prejudice the commercial position of the person who supplied, or who is the subject of, the information.

"Information required for transitional purposes

"8.54TD Information required for transition

- "(1) The **extended reserve manager** and the **system operator** may request an **asset owner**, other than a **generator** directly **connected** to the **grid**, to provide any information that the **extended reserve manager** or the **system operator** (as the case may be) considers is necessary to transition from the obligations that existed immediately prior to the Electricity Industry Participation Code Amendment (Extended Reserve) 2014 coming into effect, to the obligations specified in that Code amendment.
- "(2) An **asset owner** that receives a request under subclause (1) must comply with that request.
- "(3) If the **extended reserve manager** or the **system operator** (as the case may be) considers that information provided by an **asset owner** in accordance with subclause (2) is incomplete or insufficient, the **extended reserve manager** or the **system operator** (as the case may be) may require that the **asset owner** provide further information.
- "(4) Each **asset owner** required to provide information under this clause must do so within the time frame specified in the request.
- "(5) The **extended reserve manager** and the **system operator** may provide the information received from an **asset owner** under subclause (2) or (3) to each other."

- 12 Clause 8.67A amended (Extended reserve costs allocated to connected asset owners)**
In clause 8.67A, after "each **connected asset owner**", insert ", other than a **generator** that is directly **connected** to the **grid**".
- 13 Clause 8.68 amended (Clearing manager to determine amounts owing)**
In clause 8.68(3), after "**connected asset owner**", insert ", other than a **generator** that is directly **connected** to the **grid**".
- 14 Clause 12A.12 amended (Distributor or trader may require provision of information)**
- (1) Replace clause 12A.12(1) with:
"(1) The **distributor** may, by notice in writing, require the **trader** to provide information to the **distributor**, to enable the **distributor**—
"(a) to invoice and reconcile charges for **line function services**; or
"(b) to provide information to the **extended reserve manager**."
- (2) Replace clause 12A.12(4) with:
"(4) The **distributor** may use **volume information** to—
"(a) enable invoicing and reconciling charges for **line function services**;
"(b) enable the **distributor** to provide information to the **extended reserve manager**.
"(5) Nothing in this clause prevents the **distributor** and **trader** agreeing to provide **volume information** to each other for any other purpose."
- 15 Clause 14.56 amended (Calculation of revised amount owing for general amounts)**
- (1) Revoke clause 14.56(1)(ab).
- (2) Replace clause 14.56(1)(b) with:
"(b) to satisfy any amounts owing to the following parties, pro rata according to the amounts owing to them for **ancillary services** or **extended reserve** (as the case may be):
"(i) the **system operator** for **ancillary services** under clauses 8.6, 8.31(1)(a), and 8.55 to 8.67;
"(ii) an **extended reserve provider** for **extended reserve** under clauses 8.55(2) and 8.68(4):".
- 16 Clause 15.14 amended (Notification of changes to the grid)**
In clause 15.14(3), replace "**clearing manager** and the **Authority**" with "**extended reserve manager**, the **clearing manager**, and the **Authority**".
- 17 Schedule 15.4, clause 28 amended**
- (1) In Schedule 15.4, clause 28, replace "those **reconciliation participants**" with "those **participants**".
- (2) In Schedule 15.4, clause 28(f), after "Schedule 15.3", insert "; and".
- (3) In Schedule 15.4, after clause 28(f), insert:
"(g) to the **extended reserve manager**, the **reconciliation information** applying to each **participant** to enable the **extended reserve manager** to carry out and manage its procurement process."

18 New clause 29 of Schedule 15.4 inserted

In Schedule 15.4, after clause 28, insert:

"29 Extended reserve manager use of reconciliation information

The **extended reserve manager** must not **publish** or otherwise make available any **reconciliation information** provided to it under clause 28 that identifies any **retailer, purchaser, or generator.**"

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 19 January 2017.

The amendment makes changes to Parts 8, 12A, 14 and 15 of the Code. It enables better operation of the extended reserve regime by addressing a range of operational issues.

Date of notification in the *Gazette*: 22 December 2016