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## **Electricity Industry Participation Code (Market Making Arrangements) 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 the Act.

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## Amendment

### 1 Title

This is the Electricity Industry Participation Code (Market Making Arrangements) Amendment 2026.

### 2 Commencement

This amendment comes into force on 31 July 2026, except for clauses 10 to 11 which come into force on 1 March 2027.

### 3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

## Part 1

### Amendments to Parts 1 and 13 of the Electricity Industry Participation Code that come into force on 31 July 2026

### 4 Clause 1.1 amended (Interpretation)

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

**evening peak trading period** means a **trading period** between 1700 to 2100 hours New Zealand time

**forward contract** means a **base load electricity future** or a **super-peak electricity contract**

**market-making period** means the **base load market-making period** or **super-peak market-making period**, whichever is applicable

**morning peak trading period** means a **trading period** between 0700 hours and 1030 hours New Zealand time

**super-peak electricity contract** means a **contract for differences** relating to 0.1 MW of electricity for all **morning peak trading periods** and **evening peak trading periods** in the contract term in respect of the Otahuhu reference **node** or the Benmore reference **node** available for trade on an **exchange**

**super-peak market-making period** means the 30-minute period each fortnight specified by an **exchange**, when **super-peak electricity contracts** are traded on that **exchange**, but which must exclude 1530 to 1600 New Zealand time

**total required super-peak volume** means 1.5 MW equivalent of **super-peak electricity contracts**, taking into account traded **super-peak electricity contracts** across both buy **quotes** and sell **quotes**

(2) In clause 1.1(1), definition of **bid-ask spread**,—

- (a) replace “**NZ electricity future**” with “**forward contract**” in each place; and
- (b) in paragraph (b), delete “.”.

- (3) In clause 1.1(1), definition of **exchange**, replace “New Zealand electricity base load futures contracts” with “**forward contracts**”.
- (4) In clause 1.1(1), definition of **NZ electricity future**, replace “**NZ**” with “**base load**”.
- (5) In clause 1.1(1), definition of **NZEF market-making agreement**,—
  - (a) replace “**NZEF**” with “**base load**”; and
  - (b) replace “**NZ**” with “**base load**”.
- (6) In clause 1.1(1), definition of **NZEF market-making period**,—
  - (a) replace “**NZEF**” with “**base load**”; and
  - (b) replace “**NZ**” with “**base load**”.
- (7) In clause 1.1(1), definition of **order**, replace “simultaneously, placed” with “simultaneously placed”.
- (8) In clause 1.1(1), definition of **quote**, replace “**NZ electricity future**” with “**forward contract**”.
- (9) In clause 1.1(1), replace the definition of **total traded NZEF** with:

**total traded volume** means the cumulative total amount of buy **quotes** and sell **quotes** traded by that **participant** as **base load electricity futures** up to the start of the current **volume refresh period** in that **base load market-making period** in relation to the applicable reference **node** (Benmore or Otahuhu) and for the particular month or calendar quarter referred to in clause 13.236L(1)

- (10) In clause 1.1(1), definition of **volume refresh**,—
  - (a) delete “, for the purposes of subpart 5B of Part 13,”; and
  - (b) replace “13.236L(3)” with “13.236L(3)(b)”.
- (11) In clause 1.1(1), definition of **volume refresh period**,—
  - (a) delete “, for the purposes of subpart 5B of Part 13,”; and
  - (b) replace “**NZ**” with “**base load**”.

## 5 Part 13, Subpart 5B heading amended (Hedge market arrangements)

In the heading to Subpart 5B of Part 13, replace “Hedge market” with “Market making”.

## 6 Clause 13.236K amended (Application of subpart)

- (1) In clause 13.236K(2),—
  - (a) replace “This subpart” with “Clause 13.236L only”; and
  - (b) replace “**NZEF**” with “**base load**” in each place.
- (2) In clause 13.236K(3), replace “this subpart” with “clause 13.236L” in each place.

## 7 Clause 13.236L amended (Requirement to quote)

- (1) In the heading to clause 13.236L, insert “base load electricity futures” after “quote”.
- (2) In clause 13.236L(1),—
  - (a) replace “Subject to subclauses (2) to (5), the **participant**” with “A **participant** to whom this clause applies under clause 13.236K”;
  - (b) replace “**NZEF**” with “**base load**”; and
  - (c) replace “**NZ**” with “**base load**” in each place.

- (3) In clause 13.236L(2), replace “NZEF” with “**base load**”.
- (4) Replace clause 13.236L(3) with:
- (3) When providing **quotes** under subclause (1), the **participant** must:
- (a) place an initial buy **order** and an initial sell **order**, each of which must be for at least half the number of **quotes** required under subclause (1), at or after the start of the **base load market-making period**:
  - (b) if either initial buy **order** or sell **order** is fully traded during the **base load market-making period** then that **participant** must (as applicable) refresh its **order(s)** so that, at the end of the **volume refresh period**, the number of **quotes** comprising each of the buy **order** and sell **order** respectively are a minimum of  $X$ , where—  
$$X = \text{number of quotes required under subclause (1)} - \text{total traded volume}$$
  - (c) once the **participant** has traded the **total required volume** it may withdraw any remaining **quotes**.

**8 New clause 13.236LB inserted (Requirement to quote super-peak electricity contracts)**

After clause 13.236LA, insert:

**13.236LB Requirement to quote super-peak electricity contracts**

- (1) A **participant** to whom this clause applies under clause 13.236K must, for a minimum of 25 minutes in every **super-peak market-making period**, provide **quotes** for a minimum of—
- (a) 15 monthly **super-peak electricity contracts** for each of the Otahuhu reference **node** and the Benmore reference **node** (being 15 buy **quotes** and 15 sell **quotes** for each reference **node**) for each month in the current calendar quarter (excluding the current month and any previous months), and for each month in the following 2 calendar quarters; and
  - (b) 15 quarterly **super-peak electricity contracts** for each of the Otahuhu reference **node** and the Benmore reference **node** (being 15 buy **quotes** and 15 sell **quotes** for each reference **node**) for each of the 9 calendar quarters following the last calendar quarter referred to in paragraph (a).
- (2) Once the **participant** has traded the **total required super-peak volume** it may withdraw any remaining **quotes** in that **super-peak market making period**.
- (3) The **participant** must not provide a **quote** under subclause (1) with a **bid-ask spread** that exceeds the greater of 5% or NZ\$2. For the avoidance of doubt, where there are multiple buy **orders** and sell **orders** for a particular reference **node** for a particular month or calendar quarter in a **super-peak market-making period**, the requirement in this subclause means the **bid-ask spread** between the lowest priced buy **order** and the highest priced sell **order** (across those multiple orders) must not exceed the greater of 5% or NZ\$2.

**9 Clause 13.236N replaced (Exemptions from requirement to quote)**

Replace clause 13.236N with:

### 13.236N Exemptions from requirement to quote

- (1) The **participant** is exempt from the requirements in clause 13.236L or clause 13.236LB in the following circumstances:
  - (a) for a **market-making period** if—
    - (i) the **participant** cannot comply with a requirement in clause 13.236L or clause 13.236LB (as applicable) in that **market-making period** because the relevant **exchange** is disrupted or unavailable; or
    - (ii) in the reasonable opinion of the **participant**—
      - (A) entering into a **forward contract** in that **market-making period** is likely to cause the **participant** to breach an applicable law; and
      - (B) the **participant** has taken all reasonable steps that would have enabled it to enter into a **forward contract** in that **market making period** while avoiding the likely breach of an applicable law;
  - (b) in addition to the exemptions in paragraph (a), for up to:
    - (i) 2 **base load market-making periods** within any 20 consecutive **base load market-making periods** at the participant’s discretion;
    - (ii) 5 **super-peak market-making periods** within any 26 consecutive **super-peak market-making periods** at the participant’s discretion.
- (2) To avoid doubt, if the **participant** meets the criteria for exemption in subclause (1)(a)(i) or (1)(a)(ii) in relation to a **market-making period**, that **market-making period** will not count towards the **participant’s** exemptions in subclause (1)(b).
- (3) If the **participant** relies on an exemption under this clause from the requirement to **quote**, the **participant** must notify the **Authority** of the exemption it has relied on and the basis for the exemption as soon as practicable but in any case no later than 1700 New Zealand time on the same **business day** that an exemption is relied on.

## Part 2

### Amendments to Parts 1 and 13 of the Electricity Industry Participation Code that come into force on 1 March 2027

#### 10 Clause 1.1 amended (Interpretation)

In clause 1.1(1), replace the definition of **total required volume** with:

**total required base load volume** means, taking into account traded **base load electricity futures** across both buy **quotes** and sell **quotes**,—

- (a) 2.4 MW equivalent of **base load electricity futures** for each month and quarter and at each **node** referred to in clause 13.236L(1)(a) and (b);
- (b) 1.6 MW equivalent of **base load electricity futures** for each quarter and at each **node** referred to in clause 13.236L(1)(c)

#### 11 Clause 13.236L amended (Requirement to quote base load electricity futures)

(1) Replace clause 13.236L(1)(b) with:

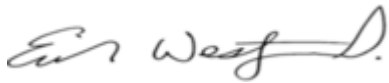
- (b) 24 quarterly **base load electricity futures** for each of the Otahuhu reference **node** and the Benmore reference **node** (being 24 buy **quotes** and 24 sell **quotes** for

each reference **node**) for each quarter in the current calendar year (including the current quarter and excluding any previous quarters) and the following 8 calendar quarters; and

(c) 16 quarterly **base load electricity futures** for each of the Otahuhu reference **node** and the Benmore reference **node** (being 16 buy **quotes** and 16 sell **quotes** for each reference **node**) for each of the 12 calendar quarters following the last calendar quarter referred to in paragraph (b).

(2) In clause 13.236L(3)(c), replace “**total required volume**” with “**total required base load volume**”.

Made at Wellington on 8 May 2026



Erik Westergaard  
Acting Chair  
Electricity Authority

Certified in order for signature:



Nichola Lambie  
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Electricity Authority  
6 May 2026



Paul Comrie-Thomson  
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5 May 2026

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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 31 July 2026, except for clauses 10–11 which come into force on 1 March 2027.

The amendment amends Parts 1 and 13 of the Code to update the regulated market making arrangements in the hedge market to:

- a. introduce market making requirements on participants subject to Subpart 5B of Part 13 for super-peak electricity contracts, with a total offer volume requirement of 6 MW per contract at a 5% bid-ask spread (or NZ\$2, whichever is greater);
  - b. extend market making requirements for quarterly base load contracts from 3 years to 5 years ahead;
  - c. reduce the total offer volume from 12 MW to 8 MW for quarterly base load contracts for year 3, and apply this volume to years 4 and 5 ahead; and
  - d. clarify the operation of exemptions to the market making obligations and make other minor, technical improvements to the market making provisions.
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Electricity Industry Participation Code (Market Making Arrangements) Amendment  
2026

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| This is secondary legislation issued under the authority of the <a href="#">Legislation Act 2019</a> . |   |
| Title  | Electricity Industry Participation Code (Market Making Arrangements) Amendment 2026 |
| Principal or amendment   | Amendment   |
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| Empowering Act and provisions  | Electricity Industry Act 2010, section 38   |
| Replacement empowering Act and provisions  | Not applicable  |
| Maker name   | Electricity Authority   |
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| Consolidation as at date   | Not applicable  |
| Related instruments  | <a href="#">Electricity Industry Participation Code 2010</a>                        |