

Electricity Industry Participation Code 2010

Part 9 Security of supply

Contents

- Subpart 1—Planning for shortage of supply situations
- 9.1 Purpose
- System operator rolling outage plan*
- 9.2 System operator must prepare and publish system operator rolling outage plan
- 9.3 Incorporation of system operator rolling outage plan by reference
- 9.4 Contents of system operator rolling outage plan
- 9.5 Amendments and substitutions of system operator rolling outage plans
- Participant rolling outage plans*
- 9.6 System operator must require specified participants to develop participant rolling outage plans
- 9.7 Specified participants must develop participant rolling outage plans
- 9.8 Contents of participant rolling outage plans
- 9.9 Approval of participant rolling outage plans
- 9.10 Revision of participant rolling outage plans
- 9.11 Approval of revised participant rolling outage plans
- 9.12 Publishing of participant rolling outage plans
- 9.13 Specified participants must keep participant rolling outage plans up to date
- Subpart 1A—Urgent temporary grid reconfigurations
- 9.13A Purpose
- 9.13B Request for urgent temporary grid reconfiguration
- Subpart 2—Outages in shortage of supply situation
- 9.14 Supply shortage declaration
- 9.15 Power to direct outages in security of supply situation
- 9.16 Specified participants must comply with direction
- 9.17 Revocation of supply shortage declaration
- Subpart 3—Miscellaneous
- 9.18 Provision of information
- Subpart 4—Customer compensation schemes
- 9.19 Contents of this subpart
- Requirement for retailers to have customer compensation scheme*
- 9.20 Retailer must have customer compensation scheme
- 9.21 Qualifying customers
- 9.22 Requirement to implement customer compensation schemes
- Official conservation campaign*
- 9.23 System operator commences official conservation campaign
- 9.23A System operator ends official conservation campaign
- Default customer compensation scheme*
- 9.24 Requirements of default customer compensation schemes

Minimum weekly amount of compensation

9.25 Authority must determine minimum weekly amount

Additional customer compensation schemes

9.26 Retailer may have additional customer compensation schemes

9.27 Qualifying customer may elect to be covered by additional customer compensation scheme

9.28 Publishing description of additional customer compensation schemes

Certificate of compliance

9.29 Each retailer must provide certification

Audit

9.30 Audit of compliance

9.31 Retailer must provide information to auditor

9.32 Auditor must provide audit report

9.33 Payment of auditor's costs

Subpart 1— Planning for shortage of supply situations

9.1 Purpose

The purpose of this subpart and subpart 2 is to provide for the management and co-ordination of planned outages as an emergency measure during energy shortages.

Compare: SR 2008/252 r 3

System operator rolling outage plan

9.2 System operator must prepare and publish system operator rolling outage plan

- (1) The **system operator** must prepare and **publish a system operator rolling outage plan**.
- (2) Before **publishing a system operator rolling outage plan** the **system operator** must submit to the **Authority** for approval a draft **system operator rolling outage plan**.
- (3) Clause 7.5(3) to (11) applies to the approval of the **system operator rolling outage plan** by the **Authority** as if references to the **security of supply forecasting and information policy** and the **emergency management policy** were a reference to the **system operator rolling outage plan**.

Compare: SR 2008/252 r 5

9.3 Incorporation of system operator rolling outage plan by reference

- (1) The **system operator rolling outage plan** is incorporated by reference in this Code in accordance with section 32 of the **Act**.
- (2) Subclause (1) is subject to Schedule 1 of the **Act**, which includes a requirement that the **Authority** must give notice in the *Gazette* before an amended or substituted **system operator rolling outage plan** becomes incorporated by reference in this Code.

Clause 9.3(1): amended, on 5 October 2017, by clause 144 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

9.4 Contents of system operator rolling outage plan

A **system operator rolling outage plan** must—

- (a) describe events that the **system operator** predicts will be likely to give rise to the need to make a **supply shortage declaration**; and
- (b) set out thresholds that the **system operator** will apply in deciding whether to make a **supply shortage declaration**; and
- (c) specify how the **system operator** intends to determine what directions to give to address the shortage of **electricity** supply or transmission capacity that gives rise to the declaration; and
- (d) identify **specified participants**, or a class or classes of **specified participants**, who are required to develop **participant rolling outage plans** under clauses 9.6 to 9.13; and
- (e) specify criteria, methodologies, and principles to be applied in implementing outages, or taking any other action, to be provided for in **participant rolling outage plans**; and
- (f) specify criteria, methodologies, and principles to be applied by any **specified participant** who does not have an approved **participant rolling outage plan** in implementing outages, or taking any other action, in accordance with directions given by the **system operator** under clause 9.15.

Compare: SR 2008/252 r 6

9.5 Amendments and substitutions of system operator rolling outage plans

- (1) The **system operator** may—
 - (a) amend a **system operator rolling outage plan**; or
 - (b) revoke a **system operator rolling outage plan** and substitute a new plan.
- (2) This subpart applies to an amendment to a plan or a substitute plan—
 - (a) as if the amendment or substitute plan were the original plan; and
 - (b) with other necessary modifications.
- (3) The **system operator** must not submit an amended or new **system operator rolling outage plan** to the **Authority** under clause 9.2(2) unless the **system operator** has—
 - (a) consulted with persons that the **system operator** thinks are representative of the interests of persons likely to be substantially affected by the amended or new plan; and
 - (b) considered submissions made on the amended or new plan.
- (4) Subclause (3) does not apply if the **system operator** considers that it is necessary or desirable in the public interest that the proposed **system operator rolling outage plan** be **published** urgently, and, in this case, the **system operator rolling outage plan** must state that the plan is **published** in reliance on this subclause and then, within 6 months of the plan being **published**, the **system operator** must—
 - (a) comply with subclause (3); and
 - (b) decide whether or not the plan should be amended or revoked and a new plan substituted; and

- (c) no later than 10 **business days** after making that decision, **publish** the decision; and
 - (d) if the **system operator** decides that the plan should be amended or revoked and a new plan substituted, comply with this clause in relation to the proposed amendment or revocation and substitution.
- (5) To avoid doubt, a **system operator rolling outage plan** is not invalid only because the **system operator** did all or any of the things referred to in subclause (3) before this clause came into force.

Compare: SR 2008/252 r 7 and 8

Clause 9.5(4): amended, on 5 October 2017, by clause 145(a) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.5(4)(c): amended, on 5 October 2017, by clause 145(b) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Participant rolling outage plans

9.6 System operator must require specified participants to develop participant rolling outage plans

- (1) This clause applies when a **specified participant** is identified under a **system operator rolling outage plan** as being required to develop a **participant rolling outage plan**.
- (2) The **system operator** must send notice in writing to that **specified participant** of that requirement, including—
 - (a) specifying the requirements that the **participant rolling outage plan** must comply with under this Part and the **system operator rolling outage plan**; and
 - (b) specifying a date by which the **specified participant** must submit that plan to the **system operator**.
- (3) The **system operator** must send the notice under subclause (2) as soon as practicable after the **system operator publishes** its **system operator rolling outage plan**.

Compare: SR 2008/252 r 8A

9.7 Specified participants must develop participant rolling outage plans

- (1) Each **specified participant** who receives a notice under clause 9.6 must develop its **participant rolling outage plan** in accordance with the notice.
- (2) The **specified participant** must submit the plan to the **system operator** by the date specified under clause 9.6(2)(b).

Compare: SR 2008/252 r 8B

9.8 Contents of participant rolling outage plans

- (1) Each **participant rolling outage plan** must—
 - (a) be consistent with the **system operator rolling outage plan**; and
 - (b) comply with the requirements specified in the notice sent under clause 9.6(2)(a); and
 - (c) specify the actions that the **specified participant** will take to achieve, or contribute to achieving, reductions in the consumption of **electricity** (including any target level of reduction of consumption of **electricity** in accordance with criteria, methodologies, and principles specified in the **system operator rolling**

outage plan) to comply with a direction from the **system operator** given under clause 9.15.

- (2) This clause does not limit clause 9.6(2)(a).

Compare: SR 2008/252 r 8C

9.9 Approval of participant rolling outage plans

- (1) The **system operator** must, as soon as practicable after receiving a **participant rolling outage plan**, by notice in writing to the **specified participant** who submitted the plan,—

- (a) approve it; or
(b) decline to approve it.

- (2) The **system operator** may decline to approve the plan only if the **system operator** is not satisfied that the plan complies with clause 9.8.

Compare: SR 2008/252 r 8D

9.10 Revision of participant rolling outage plans

If the **system operator** declines to approve a **participant rolling outage plan**,—

- (a) the **system operator** must—
- (i) indicate the grounds on which it declines to approve the plan; and
 - (ii) direct the **specified participant** to submit a revised plan; and
- (b) the **specified participant** must submit a revised plan to the **system operator** no later than—
- (i) 15 **business days** after the date on which the **specified participant** received the direction from the **system operator** to submit a revised plan; or
 - (ii) any later date that the **system operator** may allow in any particular case.

Compare: SR 2008/252 r 8E

Clause 9.10(b)(i): amended, on 5 October 2017, by clause 146 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

9.11 Approval of revised participant rolling outage plans

- (1) As soon as practicable after receiving a revised **participant rolling outage plan**, the **system operator** must, by notice in writing to the **specified participant** who submitted the plan,—

- (a) approve the plan; or
(b) decline to approve it.

- (2) If the **system operator** declines to approve the revised plan, clause 9.10 applies.

Compare: SR 2008/252 r 8F

9.12 Publishing of participant rolling outage plans

A **specified participant** must make its **participant rolling outage plan** available to the public, at no cost, on an Internet site maintained by or on behalf of the **specified participant**, at all reasonable times, as soon as practicable after it is approved by the **system operator**.

Compare: SR 2008/252 r 8G

9.13 Specified participants must keep participant rolling outage plans up to date

- (1) Each **specified participant** who has had a **participant rolling outage plan** approved under clauses 9.6 to 9.12 must—
 - (a) keep the plan under review, and (if necessary) amend the plan to take account of any change of circumstances and to ensure that the plan continues to comply with clause 9.8; and
 - (b) as soon as practicable after amending the plan, but in any case no later than 20 **business days** after amending it, submit the plan to the **system operator**.
- (2) Despite subclause (1), not later than 2 years after the date on which a **specified participant's participant rolling outage plan** was last approved, the **specified participant** must resubmit the plan to the **system operator** for approval.
- (3) A plan submitted to the **system operator** under subclause (1)(b) is deemed to be approved by the **system operator** unless, no later than 20 **business days** after the **system operator** receives the plan, the **system operator** advises the **specified participant** who submitted the plan, by notice in writing, that it declines to approve the plan.
- (4) Clauses 9.9 to 9.12 apply to a plan that is submitted or resubmitted or declined under this clause, except as provided in subclause (3).

Compare: SR 2008/252 r 8H

Clause 9.13(1)(b) and (3): amended, on 5 October 2017, by clause 147 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Subpart 1A—Urgent temporary grid reconfigurations

Heading: inserted, on 16 December 2013, by clause 4 of the Electricity Industry Participation (Urgent Temporary Grid Reconfiguration) Code Amendment 2013.

9.13A Purpose

The purpose of this subpart is to provide for the urgent temporary removal of **interconnection assets** from service, or temporary reconfiguration of the **grid**, in order to improve security of **supply**.

Clause 9.13A: inserted, on 16 December 2013, by clause 4 of the Electricity Industry Participation (Urgent Temporary Grid Reconfiguration) Code Amendment 2013.

9.13B Request for urgent temporary grid reconfiguration

- (1) The **system operator** may give notice in writing to **Transpower** requesting that **Transpower** temporarily remove 1 or more **interconnection assets** from service, or temporarily reconfigure the **grid**, if the **system operator** considers that—
 - (a) exceptional circumstances exist—
 - (i) that are likely to lead, for a period of at least 3 weeks, to—
 - (A) a shortfall in thermal fuel; or
 - (B) a shortfall of hydro inflows; or
 - (C) the loss of a large generating **asset**; and
 - (ii) that make it necessary or desirable in the public interest to temporarily remove 1 or more **interconnection assets** from service or temporarily reconfigure the **grid**; and
 - (b) the removal or reconfiguration would improve security of **supply**.

- (2) A notice given under subclause (1) must specify—
 - (a) the exceptional circumstances; and
 - (b) the reasons why temporarily removing **assets** from service or temporarily reconfiguring the **grid** would improve security of **supply**.
- (3) No later than 10 **business days** after giving notice to **Transpower**, the **system operator** must give a written report to the **Authority** setting out the basis on which the **system operator** requested that **Transpower** remove 1 or more **interconnection assets** from service or temporarily reconfigure the **grid**.
- (4) The **system operator** must ensure that the report given under subclause (3) includes—
 - (a) the matters specified in subclause (2)(a) and (b); and
 - (b) sufficient information to demonstrate that in developing its request to **Transpower** the **system operator** followed a robust process, including the options the **system operator** considered and the extent of any analysis and consultation undertaken by the **system operator**.
- (5) The **Authority** must **publish** the report.
Clause 9.13B: inserted, on 16 December 2013, by clause 4 of the Electricity Industry Participation (Urgent Temporary Grid Reconfiguration) Code Amendment 2013.
Clause 9.13B(5): amended, on 5 October 2017, by clause 148 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Subpart 2—Outages in shortage of supply situation

9.14 Supply shortage declaration

- (1) The **system operator** may, after consultation with the **Authority**, make a **supply shortage declaration**.
- (2) The **system operator** may make a **supply shortage declaration** only if there is a shortage of **electricity** supply or transmission capacity such that the **system operator** considers—
 - (a) that the normal operation of the spot market for **electricity** is, or will soon be, unlikely to facilitate the adjustment of supply and demand necessary to ensure that supply matches demand; and
 - (b) that, if planned outages are not implemented, unplanned outages are likely.
- (2A) For the purposes of subclause (2), the spot market for **electricity** includes the processes for setting—
 - (a) *[Revoked]*
 - (b) **forecast prices** and **forecast reserve prices**:
 - (c) *[Revoked]*
 - (d) **interim prices** and **interim reserve prices**:
 - (e) **final prices** and **final reserve prices**:
 - (f) **dispatch prices** and **dispatch reserve prices**.
- (3) A declaration applies to—
 - (a) all of New Zealand; or
 - (b) the regions specified in the declaration.
- (4) In making a declaration under subclause (1), the **system operator** must have regard to the **system operator rolling outage plan**.

- (5) The **system operator** must **publish** the declaration as soon as practicable after it is made.

Compare: SR 2008/252 r 9

Clause 9.14(2)(a): amended, on 18 July 2013, by clause 8(1) of the Electricity Industry Participation (Undesirable Trading Situation) Code Amendment 2013.

Clause 9.14(2A): inserted, on 18 July 2013, by clause 8(2) of the Electricity Industry Participation (Undesirable Trading Situation) Code Amendment 2013.

Clause 9.14(2A)(a) and (c): revoked, on 1 November 2022, by clause 10(a) of the Electricity Industry Participation Code Amendment (Real Time Pricing) 2022.

Clause 9.14(2A)(f): inserted, on 1 November 2022, by clause 10(b) of the Electricity Industry Participation Code Amendment (Real Time Pricing) 2022.

9.15 Power to direct outages in security of supply situation

- (1) The **system operator** may, at any time in the period during which a **supply shortage declaration** is in force, give a written direction to **specified participants** to contribute to achieving reductions in the consumption of **electricity** by implementing outages or taking any other action specified in the direction.
- (2) A direction must—
- (a) be consistent with the **system operator rolling outage plan**; and
 - (b) be given only after consultation with the **Authority**; and
 - (c) if the direction requires a **specified participant** to implement outages, specify the savings targets that the **specified participant** must achieve.
- (3) *[Revoked]*
- (4) The **system operator** must **publish** each direction as soon as practicable after it is given.
- (5) The **system operator** may—
- (a) amend a direction; or
 - (b) revoke a direction and, if the **system operator** considers it appropriate, substitute a new direction.
- (6) Subclauses (1) to (4) apply to an amendment to a direction or a substitute direction—
- (a) as if the amendment or substitute direction were the original direction; and
 - (b) with other necessary modifications.

Compare: SR 2008/252 r 10

Clause 9.15(1): amended, on 5 October 2017, by clause 149(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.15(3): revoked, on 5 October 2017, by clause 149(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.15(4): amended, on 5 October 2017, by clause 149(3) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

9.16 Specified participants must comply with direction

- (1) Each **specified participant** must comply with a direction given to it by the **system operator** under clause 9.15.
- (2) Each **specified participant** must, in complying with the direction, apply, to the extent practicable, the criteria, methodologies, and principles specified in the **system operator rolling outage plan**.
- (3) Each **specified participant** must comply with a direction in accordance with its **participant rolling outage plan**, if it has a plan that has been approved under subpart 1.

- (4) If a **specified participant** does not have a **participant rolling outage plan** approved under subpart 1, the **specified participant**,—
- (a) in complying with the direction, must apply, to the extent practicable, the criteria, methodologies, and principles specified in the **system operator rolling outage plan**; and
 - (b) as soon as practicable after the direction is given, must provide to the **system operator** information as to the steps the **specified participant** will take to comply with the direction (including any steps the **specified participant** has already taken to comply with the direction).

Compare: SR 2008/252 r 11

9.17 Revocation of supply shortage declaration

- (1) The **system operator** must revoke a **supply shortage declaration** when it is satisfied that the circumstances that gave rise to the declaration no longer apply.
- (2) The **system operator** must **publish** the revocation as soon as practicable after it is made.

Compare: SR 2008/252 r 13

Subpart 3—Miscellaneous

9.18 Provision of information

- (1) The **system operator** may, by notice in writing to a **participant** who the **system operator** considers may have information relevant to any of the following, require the **participant** to provide the information to the **system operator**:
 - (a) the preparation by the **system operator** of the **system operator rolling outage plan** under clauses 9.1 to 9.5; and
 - (b) the need for a **supply shortage declaration**; and
 - (c) the need for a direction requiring outages under clause 9.15; and
 - (d) the number and extent of outages necessary under a direction; and
 - (e) monitoring compliance with a direction given under clause 9.15.
- (2) Subclause (1) applies only to information that is—
 - (a) reasonably necessary for the **system operator** to undertake its functions under this Part or to monitor compliance with a direction regarding outages; and
 - (b) in that **participant's** possession or that the **participant** can obtain without unreasonable difficulty or expense.
- (3) The **system operator** must specify in the notice given under subclause (1) the date by which the **participant** must provide the information required.
- (4) A **participant** who has received a notice under subclause (1) must provide the information required by the **system operator** by the date specified by the **system operator** in the notice.
- (5) The **system operator** may require **specified participants** to provide to the **system operator** contact information specified by the **system operator** that would enable the **system operator** to communicate with the **specified participants**.

Compare: SR 2008/252 r 14

Subpart 4—Customer compensation schemes

Subpart 4: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

9.19 Contents of this subpart

This subpart provides a framework under which each **retailer** must have a **customer compensation scheme** for all of the **retailer’s qualifying customers**, including—

- (a) a **default customer compensation scheme** that a **retailer** must have; and
- (b) **additional customer compensation schemes** that a **retailer** may have; and
- (c) determining when an **official conservation campaign** commences and ends, during which a **retailer** must make payments under its **customer compensation schemes**; and
- (d) a process by which the **Authority** can require that a **retailer’s** compliance with this subpart is **audited**.

Clause 9.19: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.19(c): amended, on 20 December 2021, by clause 20 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Requirement for retailers to have customer compensation scheme

9.20 Retailer must have customer compensation scheme

- (1) Each **retailer** who has 1 or more **qualifying customers**—
 - (a) must, at all times, have a **default customer compensation scheme**; and
 - (b) may, in addition to a **default customer compensation scheme**, have 1 or more **additional customer compensation schemes**.
- (2) Each of a **retailer’s qualifying customers** must be covered by the **retailer’s default customer compensation scheme**, unless the **retailer’s qualifying customer** has elected to be covered by 1 of the **retailer’s additional customer compensation schemes** (if any) in accordance with clause 9.27.
- (3) A **retailer’s customer compensation scheme** may cover a customer of the **retailer** who is not a **qualifying customer**.

Clause 9.20: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.20(2): amended, on 1 November 2018, by clause 17(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.

Clause 9.20(3): amended, on 1 November 2018, by clause 17(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.

9.21 Qualifying customers

- (1) A **retailer’s qualifying customer** is a person who, at any time during an **official conservation campaign**, —
 - (a) is a customer of the **retailer**; and
 - (b) has a contract with the **retailer** for the supply of **electricity** in respect of an **ICP** at which—
 - (i) there is a **category 1 metering installation** or a **category 2 metering installation**; and

- (ii) there was consumption, in the 12 months immediately before the start of the **official conservation campaign**, of 3000 kWh or more.
- (2) Despite subclause (1), a person is not a **qualifying customer** if the price of all of the **electricity** provided under the person's contract with the **retailer** for the supply of **electricity** is determined by reference to the **final price** at a **GXP**.
- (3) For the purposes of subclause (1)(b)(ii), if a **qualifying customer's** consumption at the **ICP** in the 12 months immediately before the start of the **official conservation campaign** is not available to the **retailer**, the **retailer** must make a reasonable estimate of the consumption.
- (4) To avoid doubt, the retailer is not required to make payments under a **customer compensation scheme** to a **qualifying customer** at an **ICP** in respect of any period during an **official conservation campaign**, when—
 - (a) the premises to which the **ICP** is **electrically connected** are vacant; or
 - (b) the **ICP** is **electrically disconnected**.

Clause 9.21: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.21: amended, on 5 October 2017, by clause 150(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.21(1): amended, on 28 June 2018, by clause 4(1) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Clause 9.21(1): amended, on 20 December 2021, by clause 21(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.21(1)(a): amended, on 1 November 2018, by clause 18 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.

Clause 9.21(1)(b)(i): amended, on 1 December 2011, by clause 6 of the Electricity Industry Participation Code (Distributor Use-of-System Agreements and Distributor Tariffs) Amendment 2011.

Clause 9.21(1)(b)(ii): amended, on 5 October 2017, by clause 150(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.21(1)(b)(ii): amended, on 20 December 2021, by clause 21(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.21(3): amended, on 5 October 2017, by clause 150(3) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.21(3): amended, on 20 December 2021, by clause 21(3) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.21(4): replaced, on 28 June 2018, by clause 4(2) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Clause 9.21(4): amended, on 20 December 2021, by clause 21(4) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.21(4)(a)(i) and (ii): amended, on 5 October 2017, by clause 150(4)(a) and (b) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.21(4)(b)(i): amended, on 5 October 2017, by clause 150(4)(c) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

9.22 Requirement to implement customer compensation schemes

- (1) A **retailer** must make payments to its **qualifying customers**, in respect of **ICPs** described in clause 9.21(1)(b), under its **customer compensation schemes** during an **official conservation campaign**.
- (2) Despite subclause (1), if the **system operator** has commenced an **official conservation campaign** under clause 9.23(1), a **retailer** must make payments under its **customer compensation scheme** to its **qualifying customers** only in respect of **ICPs**, as described in clause 9.21(1)(b), in the South Island.

Clause 9.22: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.22(1) & (2): amended, on 20 December 2021, by clause 22(1) & (2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.22(2): amended, on 21 September 2012, by clause 12 of the Electricity Industry Participation (Minor Amendments) Code Amendment 2012.

Official conservation campaign

9.23 System operator commences official conservation campaign

- (1) The **system operator** must commence an **official conservation campaign** for the South Island—
 - (a) when a comparison of storage in the South Island hydro lakes with the South Island electricity risk curves, as that term is defined in the **security of supply forecasting and information policy**,—
 - (i) shows a risk of shortage for the South Island of 10% or more; and
 - (ii) forecasts that the risk of shortage for the South Island will be 10% or more for 1 week or more; or
 - (ab) when hydro storage in the South Island hydro lakes is, and the **system operator** forecasts will remain for 1 week or more, equal to or less than—
 - (i) that part of available hydro storage in the South Island hydro lakes that, as **published** by the **system operator** under the **security of supply forecasting and information policy**, may only be used during an **official conservation campaign**; plus
 - (ii) the buffer, as that term is defined in the **security of supply forecasting and information policy**; or
 - (b) despite paragraphs (a) and (ab), if it has agreed a date with the **Authority** for an **official conservation campaign** to commence for the South Island, on that date.
- (2) The **system operator** must commence an **official conservation campaign** for New Zealand—
 - (a) when a comparison of storage in New Zealand’s hydro lakes with the electricity risk curves, as that term is defined in the **security of supply forecasting and information policy**,—
 - (i) shows a risk of shortage for New Zealand of 10% or more; and
 - (ii) forecasts that the risk of shortage for New Zealand will be 10% or more for 1 week or more; or
 - (ab) when hydro storage in the New Zealand hydro lakes is, and the **system operator** forecasts will remain for 1 week or more, equal to or less than—
 - (i) that part of available hydro storage in the New Zealand hydro lakes that, as **published** by the **system operator** under the **security of supply forecasting and information policy**, may only be used during an **official conservation campaign**; plus
 - (ii) the buffer, as that term is defined in the **security of supply forecasting and information policy**; or
 - (b) despite paragraphs (a) and (ab), if it has agreed a date with the **Authority** for an **official conservation campaign** to commence for New Zealand, on that date.
- (3) The **system operator** must use reasonable endeavours to give each **participant** and the **Authority** at least 2 weeks’ notice of an **official conservation campaign** commencing.

- (4) During the period of an **official conservation campaign**, the **system operator** must regularly review the steps that it must take, and encourage **participants** to take, under the **emergency management policy**.
- (5) If the **system operator** and the **Authority** agree under subclause (1)(b) or (2)(b) that an **official conservation campaign** will commence, the **system operator** must **publish** the reasons for agreeing that the **official conservation campaign** will commence.
- (6) *[Revoked]*
Clause 9.23: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.
Clause 9.23(4)(b)(i): amended, on 21 September 2012, by clause 13 of the Electricity Industry Participation (Minor Amendments) Code Amendment 2012.
Clause 9.23(5): amended, on 5 October 2017, by clause 151 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.
Clause 9.23(1)(a): amended, on 1 August 2019, by clause 4(1) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(1)(ab): inserted, on 1 August 2019, by clause 4(2) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(1)(b): amended, on 1 August 2019, by clause 4(3) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(2)(a): amended, on 1 August 2019, by clause 4(4) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(2)(ab): inserted, on 1 August 2019, by clause 4(5) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(2)(b): amended, on 1 August 2019, by clause 4(6) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(4): replaced, on 1 August 2019, by clause 4(7) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.
Clause 9.23(6): revoked, on 1 August 2019, by clause 4(8) of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.

9.23A System operator ends official conservation campaign

- (1) If the **system operator** has commenced an **official conservation campaign** under clause 9.23, it must end the **official conservation campaign**—
- (a) for an **official conservation campaign** for the South Island—
- (i) when a comparison of hydro storage in the South Island hydro lakes with the South Island electricity risk curves, as that term is defined in the **security of supply forecasting and information policy**, shows a risk of shortage for the South Island of less than 8%; and
- (ii) the amount of hydro storage in the South Island hydro lakes is greater than the amount of hydro storage determined under subparagraphs (i) and (ii) of clause 9.23(1)(ab); or
- (b) for an **official conservation campaign** for New Zealand—
- (i) when a comparison of hydro storage in the New Zealand hydro lakes with the New Zealand electricity risk curves, as that term is defined in the **security of supply forecasting and information policy**, shows a risk of shortage for New Zealand of less than 8%; and
- (ii) the amount of hydro storage in the New Zealand hydro lakes is greater than the amount of hydro storage determined under subparagraphs (i) and (ii) of clause 9.23(2)(ab); or
- (c) despite paragraphs (a) and (b), if it has agreed a date with the **Authority** for an **official conservation campaign** to end, on that date.

- (2) The **system operator** must, as soon as practicable after ending an **official conservation campaign**, give notice to each **participant** and the **Authority** of the date on which the **official conservation campaign** ended.

Clause 9.23A: inserted, on 1 August 2019, by clause 5 of the Electricity Industry Participation Code Amendment (Official Conservation Campaign) 2019.

Default customer compensation scheme

9.24 Requirements of default customer compensation schemes

- (1) A **retailer's default customer compensation scheme** must provide for the **retailer**—
- (a) during an **official conservation campaign** for the South Island, to pay each of its **qualifying customers** in the South Island at least the minimum weekly amount of compensation determined by the **Authority** under clause 9.25, at a pro rata daily rate for each day of the **official conservation campaign** that the **qualifying customer** is the **retailer's** customer; and
 - (b) at any other time during an **official conservation campaign**, to pay each of its **qualifying customers** at least the minimum weekly amount of compensation determined by the **Authority** under clause 9.25, at a pro rata daily rate for each day of the **official conservation campaign** that the **qualifying customer** is the **retailer's** customer; and
 - (c) to pay at least the minimum weekly amount, at a pro rata daily rate, for each day of an **official conservation campaign** that the **qualifying customer** is the **retailer's** customer—
 - (i) to each of its **qualifying customers** in the South Island or New Zealand (as the case may be), for each of the **qualifying customer's ICPs** described in clause 9.21(1)(b):
 - (ii) no later than the end of 2 **billing periods** after the last day of an **official conservation campaign**.
- (2) *[Revoked]*
- (3) For the purposes of this clause—
- (a) compensation includes—
 - (i) money;
 - (ii) a credit on the **qualifying customer's electricity** account with the **retailer**;and
 - (b) the form of the compensation is to be determined by the **retailer**.

Clause 9.24: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.24(1)(a): amended, on 28 June 2018, by clause 5(1) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Clause 9.24(1)(b): amended, on 28 June 2018, by clause 5(2) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Clause 9.24(1)(a), (b), (c) & (c)(2): amended, on 20 December 2021, by clause 23(1) to (4) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.24(1)(c): amended, on 28 June 2018, by clause 5(3) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Clause 9.24(1)(c)(ii): amended, on 5 October 2017, by clause 152 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.24(2): revoked, on 28 June 2018, by clause 5(4) of the Electricity Industry Participation Code Amendment (Customer Compensation Scheme) 2018.

Minimum weekly amount of compensation

9.25 Authority must determine minimum weekly amount

- (1) In determining the minimum weekly amount that each **retailer** must pay to its **qualifying customers**, the **Authority** must take into account—
 - (a) the estimated value, in dollars/MWh, of the savings that the **Authority** expects all **qualifying customers** in the South Island or New Zealand, as the case may be, of all **retailers**, will achieve during an **official conservation campaign**; and
 - (b) any other factors that the **Authority** considers relevant.
- (2) The **Authority** must—
 - (a) **publish** the minimum weekly amount; and
 - (b) review the minimum weekly amount—
 - (i) after each **official conservation campaign** ends; and
 - (ii) at least once every 3 years; and
 - (c) following a review under paragraph (b), ensure that it gives **participants** at least 3 months' notice if it determines a new minimum weekly amount.

Clause 9.25: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.25(2)(a): amended, on 5 October 2017, by clause 153(a) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.25(2)(b)(i) amended, on 20 December 2021, by clause 24 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.25(2)(b)(ii): amended, on 5 October 2017, by clause 153(b) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Additional customer compensation schemes

9.26 Retailer may have additional customer compensation schemes

A **retailer** may have 1 or more **additional customer compensation schemes**.

Clause 9.26: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

9.27 Qualifying customer may elect to be covered by additional customer compensation scheme

- (1) If a **retailer** has 1 or more **additional customer compensation schemes**, each of the **retailer's qualifying customers** is covered by—
 - (a) 1 of the **retailer's additional customer compensation schemes** only if the **qualifying customer** elects to be covered by the **additional customer compensation scheme**; or
 - (b) in the absence of an election, the **retailer's default customer compensation scheme**.
- (2) Before accepting a **qualifying customer's** election, a **retailer** must ensure that it informs the **qualifying customer** of—
 - (a) the details of the **additional customer compensation scheme**; and
 - (b) the differences between the **retailer's default customer compensation scheme** and the **additional customer compensation scheme**.
- (3) A **retailer** must keep a record of each **qualifying customer's** election.

- (4) A **qualifying customer's** election must not—
- (a) be part of the contract between the **qualifying customer** and the **retailer** for the supply of **electricity**; or
 - (b) affect the tariff options that the **retailer** offers to the **qualifying customer**; or
 - (c) be affected by the tariff option in the **qualifying customer's** contract with the **retailer**.

Clause 9.27: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

9.28 Publishing description of additional customer compensation schemes

A **retailer** who has 1 or more **additional customer compensation schemes** must—

- (a) **publish** and keep **published** a description of its **additional customer compensation schemes**; and
- (b) on request from one of the **retailer's** customers, provide a written description of the **additional customer compensation schemes**.

Clause 9.28: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.28(a): amended, on 5 October 2017, by clause 154 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.28(b): amended, on 1 November 2018, by clause 19 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.

Certification of compliance

Cross heading: replaced, on 5 October 2017, by clause 155 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

9.29 Each retailer must provide certification

- (1) Each **retailer** must certify to the **Authority** that—
 - (a) the **retailer's customer compensation scheme** complies with this subpart; and
 - (b) the **retailer** has provided compensation to its **qualifying customers**, to the extent required by this subpart.
- (2) The certification provided under subclause (1) must be—
 - (a) *[Revoked]*
 - (b) in the form specified by the **Authority**; and
 - (c) signed and dated by a director of the **retailer** and either—
 - (i) another director of the **retailer**; or
 - (ii) the **retailer's** chief financial officer, or a person holding an equivalent position; or
 - (iii) the **retailer's** chief executive officer, or a person holding an equivalent position.
- (3) A **retailer** must provide certifications as follows:
 - (a) within 7 months of the end of an **official conservation campaign**;
 - (b) within 1 month of receiving a request to do so by the **Authority**.
- (4) *[Revoked]*

Clause 9.29: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Heading: amended, on 5 October 2017, by clause 156(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.29(1): amended, on 5 October 2017, by clause 156(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.29(2): amended, on 5 October 2017, by clause 156(3) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.29(3): amended, on 5 October 2017, by clause 156(4) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Clause 9.29(3)(a) amended, on 20 December 2021, by clause 25 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2019.

Clause 9.29(4): revoked, on 5 October 2017, by clause 156(5) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2017.

Audit

9.30 Audit of compliance

- (1) The **Authority** may, in its discretion, carry out an **audit** to determine whether a **retailer** has complied with this subpart.
- (2) If the **Authority** decides to **audit** a **retailer** under subclause (1), the **Authority** must require the **retailer** to nominate an appropriate **auditor**.
- (3) The **retailer** must nominate an **auditor** within a reasonable timeframe, and the **Authority** must appoint the nominated **auditor**.
- (4) If the **retailer** fails to nominate an appropriate **auditor** within a reasonable timeframe, the **Authority** may appoint an **auditor** of its own choice.

Clause 9.30: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

9.31 Retailer must provide information to auditor

- (1) A **retailer** subject to an **audit** under this subpart must, on request from the **auditor**, provide the **auditor** with information relating to its compliance with this subpart in the previous 12 months or such other period specified by the **auditor**.
- (2) The **retailer** must provide the information within 20 **business days** after receiving a request from the **auditor**.

Clause 9.31: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

9.32 Auditor must provide audit report

- (1) The **retailer** must ensure that the **auditor** provides the **Authority** with an **audit** report on the **retailer's** compliance with this subpart that has been prepared in accordance with this clause.
- (2) The **audit** report must include any comments from the **retailer** on any non-compliance found by the **auditor** if the **retailer** provided the comments to the **auditor** within a time specified by the **auditor**.
- (3) *[Revoked]*
- (4) The **audit** report must not contain any of the information provided by the **retailer** to the **auditor** under clause 9.31 unless requested by the **Authority**.

Clause 9.32: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.

Clause 9.32(1): amended, on 1 February 2016, by clause 24(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2015.

Clause 9.32(2): substituted, on 1 February 2016, by clause 24(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2015.

Clause 9.32(3): revoked, on 1 February 2016, by clause 24(3) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2015.

Clause 9.32(4): amended, on 1 February 2016, by clause 24(4) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2015.

9.33 Payment of auditor's costs

- (1) If an **audit** establishes, to the **Authority's** reasonable satisfaction, that a **retailer** has not complied with this subpart (whether or not the **Authority** appoints an investigator to investigate the alleged breach), the **retailer** must pay the **auditor's** costs.
- (2) If the **Authority** considers that the **retailer's** non-compliance is minor or relates to some (but not all) of the clauses in this subpart, the **Authority** may, in its discretion, determine the proportion of the **auditor's** costs that the **retailer** must pay, and the **retailer** must pay those costs.
- (3) If an **audit** establishes to the **Authority's** reasonable satisfaction that a **retailer** has complied with this subpart, the **Authority** must pay the **auditor's** costs.

Clause 9.33: inserted, on 1 April 2011, by clause 5 of the Electricity Industry Participation (Customer Compensation Schemes) Code Amendment 2011.