

## Contents

Transmission Pricing - Code Amendment	1
Amendments to principles and minimum terms for retail contracts: Consultation	1
Scarcity Pricing Technical Group meeting papers	2
Current consultations	2
Subscription	2

## Transmission Pricing - Code Amendment

The Electricity Authority Board has approved an amendment to Part 12 of the Electricity Industry Participation Code 2010 (Code) which relates to transmission pricing which will come into force on 1 June 2011.

The decision document is available at:

- <http://www.ea.govt.nz/our-work/programmes/priority-projects/transmission-pricing-review/>

The Code amendment and Gazette Notice are available at:

- <http://www.ea.govt.nz/act-code-regs/code-regs/code-changes/2011/>

The background to the Code amendment is that submissions on and analysis arising from Stage 2 of the transmission pricing review supported the contention that the interfaces between the statutory objective, the transmission pricing guidelines and the pricing principles were complex, unwieldy, and created a demonstrable regulatory failure.

The Authority has consulted on its proposed approach to remove the pricing principles and insert a new clause requiring that the Transmission Pricing Methodology be assessed against the Authority's statutory objective. The Authority also consulted on two alternative options, one being the status quo, and the other, a new set of pricing principles specifically relating to the Authority's statutory objective.

After consideration of submissions the Authority is satisfied that the rationale and analysis presented in its consultation paper is valid and the Code will be amended to reflect this.

The consultation paper and analysis is available at:

- <http://www.ea.govt.nz/our-work/consultations/priority-projects/regulatory-framework-tpm/>

## Amendments to principles and minimum terms for retail contracts: Consultation

The Authority is due in July 2011 to assess the extent to which electricity retailers' domestic contracts align with the published set of voluntary, good-practice, contracting principles and minimum terms and conditions for domestic retail contracts issued by the Electricity Commission in May 2010, available at:

- <http://www.ea.govt.nz/our-work/programmes/market/consumer-rights-policy/domestic-electricity-retail-contracts/>

Before this review is undertaken, the Authority proposes to make some minor amendments intended to address areas where the principles and minimum terms and conditions appear to have unintended consequences or raise legitimate issues affecting retailers' ability to comply.

These matters, and the intention to address them, were signalled to retailers by the Electricity Commission in September 2010.

A consultation paper setting out the proposed amendments is currently being finalised and will be published shortly. It is anticipated that the deadline for submissions will be 5.00pm on Wednesday 18 May 2011.

## Scarcity Pricing Technical Group meeting papers

Papers for the meeting of the Scarcity Pricing Technical Group (previously SPDBTG) held on 22 February are available at:

- <http://www.ea.govt.nz/our-work/advisory-working-groups/spdbtg/22Feb11/>

## Current consultations

- Scarcity pricing arrangements – proposed design  
The Authority has published a consultation paper on the development of a proposal in respect of scarcity pricing. The paper is available at:  
<http://www.ea.govt.nz/our-work/consultations/priority-projects/scarcity-pricing-arrangements-proposed-design/>  
Starting: 29/03/2011, Ending: 29/04/2011 5:00pm
- Managing locational price risk: Proposed amendments to Code  
The Authority is progressing a number of priority projects to improve the performance of the electricity market. The proposed introduction of financial transmission rights (FTRs) is one of these projects. The paper is available at:  
<http://www.ea.govt.nz/our-work/consultations/priority-projects/lpr-proposed-amendments/>  
Starting: 12/04/2011, Ending: 12/05/2011 5:00pm

## Subscription

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