

Electricity Industry (Exemption No. 132 (Clearing Manager)) Exemption Notice 2011

Pursuant to section 11 of the Electricity Industry Act 2010, the Electricity Authority (“Authority”) gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Industry (Exemption No. 132 (Clearing Manager)) Exemption Notice 2011.

(2) This notice comes into force on the day after the date it is notified in the *New Zealand Gazette*.

2. Exemption—The clearing manager is exempted, in respect of all trading periods on 26 March 2011, from compliance with the following time frames specified in the Electricity Industry Participation Code 2010 (“Code”):

- (a) The requirement in clause 13.197 of the Code that calculation of constrained off amounts be completed by 1600 hours on the 8th business day of each billing period;
- (b) the requirement in clause 13.198 of the Code that the sending of constrained off amounts to the system operator be completed by 1600 hours on the 8th business day of each billing period;
- (c) the requirement in clause 13.199 of the Code that publication of the details of constrained off amounts be completed by 1600 hours on the 8th business day of each billing period;
- (d) the requirement in clause 13.206 of the Code that calculation of constrained on amounts be completed by 1600 hours on the 8th business day of each billing period;
- (e) the requirement in clause 13.207 of the Code that the sending of constrained on amounts to the system operator be completed by 1600 hours on the 8th business day of each billing period;
- (f) the requirement in clause 13.208 of the Code that publication of the details of constrained on amounts be completed by 1600 hours on the 8th business day of each billing period;
- (g) the requirement in clause 14.36(1) of the Code that the issuing of invoices is completed 2 business days after receiving reconciliation information; and
- (h) the requirement in clause 14.36(2) of the Code that the issuing of invoices to each person to whom ancillary service costs have been allocated is completed 2 business days after receiving reconciliation information.

3. Term—This exemption expires on **31 August 2011**.

4. Reasons for granting the exemption—The reasons for granting this exemption are:

- (a) the Authority’s decision to correct the Undesirable Trading Situation (“UTS”) on 26 March 2011 involves determining the final prices for trading periods 22 to 35 on 26 March. This requires the clearing manager to rerun the scheduling, pricing and dispatch market clearing software;
- (b) the clearing manager has advised that from the date the Authority determines final prices for those trading periods, it will require three to four weeks to rerun the software and produce new invoices that implement the decision;
- (c) the provisions in the Code from which exemptions are sought require the clearing manager to take

certain actions by specified time frames from when final prices are determined;

- (d) due to the nature of the recalculations needed to correct the UTS, it will be impossible for the clearing manager to meet certain requirements in the Code;
- (e) the clearing manager has sought this exemption so the Authority’s UTS decision can be implemented without the clearing manager breaching the Code;
- (f) it is not necessary for the clearing manager to meet these requirements for the Authority to achieve its statutory objective; and
- (g) granting the exemption will reduce overall administration and compliance costs as the clearing manager will not have to self report its breaches and the Authority will not be required to investigate them.

Dated at Wellington this 12th day of July 2011.

For and on behalf of the Electricity Authority:

DR THOMAS BRENT LAYTON, Chairperson.

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