

Electricity Industry (Exemption No. 137 (Clearing Manager)) Exemption Notice 2012

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. 137 (Clearing Manager)) Exemption Notice 2012.

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

2. Exemption—(1) The clearing manager is exempted, in respect of all trading periods on 26 March 2011, from compliance with the following timeframes 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 for the previous billing period 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 and constrained off quantities to the system operator, for the previous billing period, 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 for each generator for the previous billing period 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 for the previous billing period 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 and constrained on quantities to the system operator, for the previous billing period, 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 in relation to each generator and ancillary service agent for the previous billing period 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 two 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 two business days after receiving reconciliation information.

(2) The clearing manager is exempted, in respect of trading periods 22 to 35 on 26 March 2011 and in respect of generation plant in the North Island, from compliance with the requirement in clause 13.212 of the Code for the clearing manager to include constrained on compensation in any invoice issued to generators or ancillary service agents.

3. Term—This exemption expires on **31 August 2012**.

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 (and final reserve prices) for trading periods 22 to 35 on 26 March 2011;
- (b) due to final prices and final reserve prices not being published until 17 May 2012, the clearing manager will not be able to comply with clauses 13.197, 13.198, 13.199, 13.206, 13.207, 13.208, 14.36(1) and 14.36(2);
- (c) due to the UTS decision requiring the calculation of constrained on amounts under Part 13 of the Code for trading periods 22 to 35 on 26 March 2011 to be curtailed, so that no constrained on compensation will be paid in respect of generation plant in the North Island, the clearing manager will not be able to comply with clause 13.212;
- (d) the exemption means the Authority’s UTS decision can be implemented without the clearing manager breaching the Code;
- (e) it is not necessary for the clearing manager to meet these requirements for the Authority to achieve its statutory objective; and
- (f) granting the exemption will reduce overall administration and compliance costs as the clearing manager will not have to report its breaches and the Authority will not be required to investigate them.

Dated at Wellington this 8th day of June 2012.

For and on behalf of the Electricity Authority:

HON ROGER SOWRY, Acting Chairperson, Electricity Authority.

au3553