

Commission Update – 26 April 2010

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Notice of intention: Lower South Island Renewables Investment Proposal

On 30 November 2009, as part of the 2009 Grid Upgrade Plan (GUP), Transpower submitted the *Lower South Island Renewables Investment Proposal* to:

- facilitate competition in the generation market;
- support renewable generation; and
- improve security of supply to the lower South Island region.

Under rule 15.1 of section III of part F of the Rules, the Commission intends to approve Transpower's request for an investment of up to \$197 million.

Under Rule 15.2, a designated transmission customer, an authorised representative of parties substantially affected by the GUP, or Transpower can request a public conference within 10 working days of the date of publication of the notice of intention.

Parties wishing to request a public conference should contact info@electricitycommission.govt.nz with 'Public conference – Lower South Island Renewables Investment Proposal' in the subject line by 5pm, Monday, 10 May 2010.

If no request for a public conference is received, the Commission's decision as set out in the notice of intention will be final.

Details are available at:

- www.electricitycommission.govt.nz/opdev/transmis/gup/2009GUP/lsi

Market Development Programme conference

The Market Development Programme (MDP) conference on 25-26 May 2010 focuses on three initiatives at the core of the MDP:

- Scarcity pricing
- Default buy-back
- Managing locational price risk

These initiatives are priorities in the Government's proposed electricity reforms.

The conference will also explore impacts of scenarios on a range of hypothetical participants. Progress of related work, such as the Transmission Pricing Review and Dispatchable Demand projects will also be discussed.

The draft agenda and information on registering is available at:

- www.electricitycommission.govt.nz/opdev/mdp/index.html#mdp-conf-May10

Standardising distribution tariff structures and use-of-system rules

The Government's proposed electricity reforms provide a policy direction for increased standardisation of distribution line tariff structures and use-of-system rules.

In preparation for this, an information-gathering project to estimate costs and benefits of standardising distribution tariff structures and use-of-system rules is underway. Such work provides an information base for the incoming Electricity Authority to make relevant policy decisions.

The project is designed to establish the nature and scale of potential retail market outcomes arising from diversity of distribution arrangements. Retailers are invited to provide written responses to the questions contained within the discussion document available at:

- www.electricitycommission.govt.nz/opdev/mdp/distrib-tariff

Once information from retailers has been obtained, a similar document will be prepared for distributors and other stakeholders.

The results will be discussed with the Distribution Pricing Administrative Issues Working Group and at an industry workshop to be held in mid to late June 2010.

System Operator Policy Statement (Schedule C4) review consultation

On 30 March 2010, the System Operator submitted the *2010 Draft Policy Statement* to the Commission in accordance with rule 10.1 of section II of part C of the Rules. On 6 April 2010, the Commission published the draft in accordance with rule 11.1 of section II of part C.

As the current policy statement is set out in schedule C4 of part C of the Rules and the proposal is to replace the existing policy statement with the version submitted by the System Operator, the Commission has published a formal statement of proposal for the purpose of consultation on proposed rule amendments included in the draft.

- www.electricitycommission.govt.nz/consultation/policy-statement-10/

Submissions on the paper should be made to submissions@electricitycommission.govt.nz by 4pm, Wednesday, 12 May 2010.

Under-frequency event causer determination consultation

A consultation paper proposing to amend the Electricity Governance Rules 2003 to provide for under-frequency event causer determination has been published at:

- www.electricitycommission.govt.nz/consultation/ufe-causer/

Submissions on the paper should be made to submissions@electricitycommission.govt.nz by 5pm, Friday, 21 May 2010.

Settlement of islanded embedded generation consultation

A proposal to revise how embedded generators islanded from the grid are settled is outlined in the consultation paper, *Settlement of Islanded Embedded Generation*, available at:

- www.electricitycommission.govt.nz/consultation/islanded-embedded-generation

The consultation proposes to assign a price to nodes disconnected from the grid, so settlement can be completed at a non-zero price.

Submissions on the proposal should be made to submissions@electricitycommission.govt.nz by 5pm, Friday, 21 May 2010.

Review of urgent rule amendments regarding instantaneous reserve dispatch

The consultation paper, *Review of urgent rule amendments relating to instantaneous reserve dispatch improvements*, reviews and seeks submissions on the amendments to parts A, C and G of the Electricity Governance Rules 2003 (Rules) made under urgency on 18 February 2010.

The Commission is required, within six months of an urgent rule amendment being made, to consult and make a recommendation to the Minister on whether, or not, the amendment should be revoked, replaced, or further amended.

The consultation paper is available at:

- www.electricitycommission.govt.nz/consultation/urgent-rule-ir-dispatch

Submissions on the proposal should be made to submissions@electricitycommission.govt.nz by 4pm, Friday, 28 May 2010.

Submissions published

Submissions received on the *Further consultation: proposed amendments to parts E and J of the Rules and consequential amendments to parts A and H of the Rules* paper are available at:

- www.electricitycommission.govt.nz/submissions/retail/further-consult-e-and-j

Notices of intention to grant exemptions

The Commission intends, under regulation 194(3)(b) of the Electricity Governance Regulations 2003, to grant the following exemptions:

- Exemption for the System Operator from compliance with rule 3.33 of section V of part G and schedule G2 of part G of the Electricity Governance Rules 2003 (Rules).
- Exemption for the Clearing Manager from compliance with rules 5.3.1A, 5.3.1B, 5.4, 5.5, 5.7, and 6.3 of Section V of part G of the Rules.
- Exemption for the System Operator from compliance with clause 59.1 of schedule C4 of part C of the Rules.

Details of the exemptions, including the notices of intention to grant exemption, are available at:

- www.electricitycommission.govt.nz/rulesandregs/exemptions

Submissions regarding these exemptions should be made to submissions@electricitycommission.govt.nz by 5pm, Friday, 30 April 2010.

Vacancy

- [Communications Assistant](#)

Market Administrator's Compliance Report for March

The *Market Administrator's Compliance Report for March 2010*, providing information on breaches of the Rules, is available at:

- www.electricitycommission.govt.nz/opdev/servprovinfo/ma-report

Consultation documents

- [Wind Forecasting and Market Integration: Options](#)
Closes 26 April 2010
Posted 19 March 2010
- [Amendments to Advanced Metering Infrastructure Guidelines](#)
Closes 30 April 2010
Posted 19 March 2010
- [2010 Draft Policy Statement](#)
Closes 12 May 2010
Posted 21 April 2010
- [Settlement of Islanded Embedded Generation](#)
Closes 21 May 2010
Posted 22 April 2010
- [Under-frequency event causer determination](#)
Closes 21 May 2010
Posted 23 April 2010

- [Review of urgent rule amendments relating to instantaneous reserve dispatch improvements](#)
Closes 28 May 2010
Posted 21 April 2010

Contacts

Contact details for the Commission are provided at: www.electricitycommission.govt.nz/contact

Commission Update subscription

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