

Electricity Governance Regulations (Exemption No. 113 (System Operator)) Exemption Notice 2010

Pursuant to Regulation 194 of the Electricity Governance Regulations 2003, the Electricity Commission gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Governance Regulations (Exemption No. 113 (System Operator)) Exemption Notice 2010.

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

2. Exemption—The System Operator is exempted from compliance with Clause 59.1 of Schedule C4 of Part C of the Electricity Governance Rules 2003 (“Rules”).

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

- (a) the Short Term Security Forum proposed reducing the number of standby residual shortfall check (“SRC”) notices that the System Operator publishes to the market. Limiting the publication of SRC notices to just those situations where there is a significant shortfall is likely to increase their effectiveness;
- (b) the System Operator has proposed changes to the Rules to implement a threshold above which SRC notices would be published. The rule change will not be able to come into force until 1 September 2010; and
- (c) granting this exemption allows the System Operator to reduce the number of SRC notices published and increase the effectiveness of those that are published during the intervening period until any new rules may come into force.

4. Terms and conditions—This exemption is granted on the following conditions:

- (a) The System Operator will publish SRC notices whenever the System Operator identifies that either of the following is occurring or is about to occur:
 - (i) A capacity shortfall of over 100MW; or
 - (ii) any energy shortfall; and
- (b) the exemption will expire at the close of **31 August 2010**.

Dated at Wellington this 4th day of May 2010.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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