

Notice of the Amendment of Exemption No. 13

This notice of the amendment of an exemption is issued by the Electricity Commission (“Commission”), continued under subpart 1 of part 15 of the Electricity Act 1992, pursuant to Regulation 194 (5) (d) of the Electricity Governance Regulations 2003 (“Regulations”) in favour of TrustPower Limited (“TrustPower”), acting as an agent for Carter Holt Harvey Pulp and Paper Limited.

Notice of the Amendment of an Exemption (“notice”)

Subject to the terms and conditions imposed upon TrustPower, in respect of any exemption contained within this notice, the Commission hereby notifies it amends the exemption granted to Carter Holt Harvey Pulp and Paper Limited under urgency in reliance upon Regulation 194 (4) (Exemption No. 13 published in the *New Zealand Gazette* on 26 February 2004 from the requirement to comply with the following Electricity Governance Rules (“Rules”)):

Rule 4.11 of section III of part G (compliance with dispatch instructions).

Terms and Conditions of the Grant of the Amendment of Exemption

Pursuant to Regulation 194 (1), the Commission may, in its discretion and upon the terms and conditions (if any) that it thinks fit, exempt any participant, or class of participants, from compliance with all or any of the rules.

In respect of the amendment of exemption contained within this notice, the Commission imposes the following terms and conditions:

1. The exemption shall expire on 1 September 2005.
2. The exemption only relates to generation at KIN0112.
3. Generation at KIN0112 stays within 5 MW of any dispatch instruction issued by the system operator.

The Commission notes that Regulation 196 provides that an exemption may be varied or revoked, either on the application by a participant or on the initiative of the Commission.

Commission’s Reasons for Grant of the Amendment of Exemption Contained in this Notice

The reasons for grant of the amendment of exemption are as follows:

- (a) Most of the energy produced by generation at the Kinleith plant is used on-site and the on-site processes require the operation of the co-generation plant in conjunction with these processes. The Kinleith plant is therefore unable to comply with the rule requiring them to follow dispatch instructions.
- (b) The Commission is unable to identify any participants who would be unduly affected by the grant of the amendment of exemption.
- (c) Granting the amendment of exemption will allow time for the Commission to investigate a rule change or other mitigation measures which appropriately reflect the operation of cogeneration plant.

Date Upon Which the Amendment of Exemption Becomes Effective

Pursuant to Regulation 195, the date upon which the amendment of exemption contained in this notice takes effect, being a date which is not earlier than the date of the *New Zealand Gazette* notice in respect of the amendment of exemption, is 1 September 2004.

ROY HEMMINGWAY, Chairman, for and on behalf of the Electricity Commission.

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