

Notice of the Grant of an Exemption # 21

This notice of the grant 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 of the Electricity Governance Regulations 2003 ("Regulations") in favour of Alinta ENZ Limited ("Alinta").

Notice of the Grant of an Exemption ("notice")

Regulation 194 (2) requires that the exemption and the Commission's reasons for granting it are notified in the *New Zealand Gazette* as soon as practicable after being granted.

Subject to the terms and conditions imposed upon Alinta in respect of any exemption contained within this notice, the Commission hereby notifies it grants an exemption to Alinta from the requirement to comply with the following Electricity Governance Rules 2003 ("Rules"):

- Rule 4.11 of Section III of Part G.

Terms and Conditions of the Grant of the 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 exemption contained within this notice, the Commission imposes the following terms and conditions:

- The exemption shall expire on 1 April 2006.
- The exemption relates to generation at GLN0332 only.
- Generation at GLN0332 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 application by a participant or on the initiative of the Commission.

Commission's Reasons for the Grant of the Exemption

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

- Most of the energy produced by Alinta's generation at Glenbrook is used on-site and the on-site processes require the operation of the co-generation plant in conjunction with these processes. Alinta is therefore unable to comply with Rule 4.11 of Section III of Part G, which requires it to comply with all dispatch instructions properly given by the system operator (subject to certain exceptions).
- Granting the amendment of the exemption will allow time for the Commission to complete its investigation into Rule changes or other mitigation measures which appropriately reflect the operation of the co-generation plant.

Date Upon Which the Exemption Becomes Effective

Pursuant to Regulation 195, the date upon which the 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 exemption, is 2 June 2005.

Dated at Wellington this 27th day of May 2005.

For and on behalf of the Electricity Commission:

ROY HEMMINGWAY, Chair.

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