

**Electricity Governance Regulations (Exemption No. 63 (Transpower New Zealand Limited)) Exemption Notice 2008**

Pursuant to Regulation 194(2) of the Electricity Governance Regulations 2003, the Electricity Commission (“Commission”) gives the following notice.

**Notice**

**1. Title and commencement**—(1) This notice is the Electricity Governance Regulations (Exemption No. 63 (Transpower New Zealand Limited)) Exemption Notice 2008.

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

**2. Exemption**—Transpower New Zealand Limited, in its capacity as system operator (“system operator”), is granted an exemption from compliance with Rules 2 and 6 of Section IV of Part C of the Electricity Governance Rules 2003 (“Rules”).

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

- (a) It only applies to the system operator in relation to its intended contract with the load aggregator, Energy Response Pty Limited (“ERPL”), to offer Sustained Instantaneous Reserve (“SIR”) in the Instantaneous Reserve (“IR”) market;
- (b) the exemption from Rule 2 only applies to the system operator’s obligation to use its reasonable endeavours to comply with the requirements set out in Rules 125.3 and 127 of Schedule C5 of Part C of the Rules;
- (c) the exemption from Rule 6 only applies to the system operator’s obligation to use its reasonable endeavours to enter into contracts with ERPL that comply with the requirements set out in Rule 130 of Schedule C5 of Part C of the Rules;
- (d) the system operator must ensure that:
  - (i) it requires ERPL to provide individual or aggregated load data at the source of the load from which the system operator will determine the delivered SIR quantity;
  - (ii) in the case of ERPL under-providing Interruptible Load (“IL”), the system operator assesses the amount of load pickup at the source of the load at the trip time; and
  - (iii) its contracts with ERPL state that ERPL must use monitoring equipment that measures data at 10 millisecond intervals and then uses that data to calculate average response over one minute after the start of the under-frequency event, in accordance with the definition of SIR in the Rules; and
- (e) it will expire on 30 November 2008.

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

- (a) It would be unreasonable to require the system operator to determine ERPL’s interruptible load data at its contracted Grid Exit Points (“GXPs”) because the offered IL is made up of many infinitesimal loads that cannot be detected at the GXP level;
- (b) ERPL’s individual load drops are better determined at the source where the load is situated;
- (c) it would be unreasonable to require the system operator to impose the requirement for providing monitoring equipment to record SIR data at no

greater than 10 second intervals because the monitoring equipment that ERPL proposes to use measures its load data at a superior rate of 10 millisecond intervals and records the average of such data every minute; and

- (d) the system operator is satisfied that the alternative arrangements taken by ERPL will better fulfil the intent of the rule from which the exemption is granted.

Dated at Wellington this 16th day of May 2008.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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