

Electricity Governance Regulations (Exemption No. 102 (Transpower New Zealand Limited)) Exemption Notice 2009

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. 102 (Transpower New Zealand Limited)) Exemption Notice 2009.

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

2. Interpretation—A term that is used in this notice and is in bold has the same meaning as in the Electricity Governance Rules 2003 ("**Rules**").

3. Exemption—Transpower New Zealand Limited, in its capacity as **system operator** ("**system operator**"), is exempt from compliance with the following requirements of Clause 22.4 of Schedule C4 of Part C ("**policy statement**") of the **Rules**:

- (a) The obligation in the first sentence to notify **participants** when a **temporary security constraint** (except for a **frequency keeping constraint**) has been applied to the **SPD** model;
- (b) the obligation in the second sentence to use reasonable endeavours to deliver that notification within ten minutes of the constraint's application;
- (c) the obligation in Clause 22.4.3 for the notification to include "the duration of the **constraint**, including the start and end date/times"; and
- (d) the obligation in Clause 22.4.4 for the notification to include "the application time".

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

- (a) The **system operator** will notify **participants** of the **temporary security constraints** (except for **frequency keeping constraints**), applied to the **SPD** model, that reaches or exceeds the **constraint percentage threshold** in each completed **pre-dispatch schedule**, **SDPQ**, security schedule, **week-ahead dispatch schedule** or **dispatch schedule**;
- (b) the **system operator** will use reasonable endeavours to deliver notification of the **temporary security constraints** that reach or exceed the **constraint percentage threshold** within ten minutes of the relevant schedule's completion;
- (c) the **system operator** will deliver the notification to the **information system service provider** for **publication** through the **information system** and on a publicly accessible website and will include, in respect of each **temporary security constraint** (other than a **frequency keeping constraint**) in addition to the items listed in Clause 22.4 from which an exemption would not apply:
 - (i) the **trading periods** to which the **constraint** applies; and
 - (ii) the commencement time of the relevant schedule's preparation; and
- (d) it will expire on 31 August 2009.

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

- (a) the schedule-based **constraint** notification and the non-notification of **constraints** that have little or no effect in schedule results will ensure that **participants** interpret the information provided according to its relevance and impact;
- (b) the new market systems can only provide **constraint** information in a certain new format that has the same effect as the current format;
- (c) affected **participants** have raised no concerns in the discussions held in the Constraint Publication Forum about the design of the new **constraint** functionality (in the new market systems) reflected in the requested exemption and imposed conditions;
- (d) general acceptance received from **participants** in the preliminary consultation on the 2009 draft **policy statement** on the proposed rule changes, which would give effect to the conditions of this exemption;
- (e) without the exemption the system operator would incur unnecessary costs, with no apparent material benefit, in complying with Clause 22.4 of the **policy statement** for a short time until the 2009 **policy statement** comes into effect; and
- (f) granting the proposed exemption would have no identified negative security or market impact on the overall scheme of the **Rules** or **participants**.

Dated at Wellington this 11th day of May 2009.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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