

Notice of the Electricity Industry Participation Code Amendment (COVID-19 Deferred Payment of Distribution Charges) 2020

1. Under section 38(3)(b) of the Electricity Industry Act 2010 (“Act), the Electricity Authority (“Authority”) gives notice of making the Electricity Industry Participation Code Amendment (COVID-19 Deferred Payment of Distribution Charges) 2020 (“amendment”).
2. The amendment is made urgently under section 40 of the Act.
3. The amendment comes into force on **20 May 2020**.
4. The amendment makes changes to Part 12A of the Electricity Industry Participation Code 2010 (“Code”) to:
 - a. provide for qualifying traders (which meet specified criteria, including in relation to facing liquidity problems as a result of the COVID-19 pandemic) to have an additional 60 days to pay amounts for the provision of distribution services under their agreements with the following distributors:
 - i. Orion New Zealand Limited;
 - ii. Powerco Limited;
 - iii. Unison Networks Limited;
 - iv. Vector Limited;
 - v. Wellington Electricity Lines Limited; and
 - vi. WEL Networks Limited; and
 - b. restrict the ability of all distributors to change the prudential security required from the qualifying traders during the period that the changes are in force.
5. The Authority considers that it is desirable to make the amendment urgently because the Authority considers that:
 - a. COVID-19 is an extraordinary event, and there is a real and increased potential for some traders/retailers to exit the market;
 - b. multiple retailer defaults due to COVID-19 could result in a sustained reduction in retail competition and innovation in the future, which means less choice for consumers and potentially higher electricity bills; and
 - c. the Code amendments reduce the potential for multiple retailer defaults.
6. A copy of the amendment and the Code is available on the Authority’s website <http://www.ea.govt.nz/code-and-compliance/the-code/>.
7. A copy of the amendment and the Code may also be inspected free of charge or purchased from the Electricity Authority, Level 7, Harbour Tower, 2 Hunter Street, Wellington.

Dated at Wellington this 14th day of May 2020.

DR THOMAS BRENT LAYTON, Chair, Electricity Authority.