

## **Electricity Industry (Exemption No. 157 (New Zealand Steel Limited)) Exemption Amendment Notice 2014**

Pursuant to section 11(3) of the Electricity Industry Act 2010 (“Act”), the Electricity Authority (“Authority”) gives the following notice.

### **Notice**

**1. Title and commencement**—(1) This notice is the Electricity Industry (Exemption No. 157 (New Zealand Steel Limited)) Exemption Amendment Notice 2014.

(2) This notice comes into force on **7 August 2014**.

**2. Amendment to principal exemption**—Replace clause 3 of the Electricity Industry (Exemption No. 157 (New Zealand Steel Limited)) Exemption Notice 2012\* (the “principal exemption”) with:

“**3. Term**—This exemption expires on a date specified by the system operator in the extended reserve schedule under clause 8.54O of the Code.”

**3. Reasons for this amendment**—The reasons for amending the principal exemption are as follows:

- (a) The amendment to the principal exemption meets the requirements in section 11(3) of the Act for amending exemptions;
- (b) the Authority has amended the Electricity Industry Participation Code 2010 (“Code”) to introduce a regime that revises the requirements for providing automatic under-frequency load shedding (“AUFLS”), but the technical requirements and new arrangements will not be finalised until late 2015;
- (c) if the principal exemption expired before the technical requirements and new arrangements are finalised, the transitional provisions of the Code amendment provide that the current Code provisions remain in force. This would mean that New Zealand Steel Limited would be required to install AUFLS relays at grid exit points GLN0331 and GLN0332 which would very likely become redundant within a short period of time. Granting the amendment will avoid this risk;
- (d) there would be adverse practical effects if the amendment was not granted and no adverse practical effects if the amendment was granted; and
- (e) the amendment to the principal exemption will have no impact on other participants and service providers, and will not affect any other Code provisions.

Dated at Wellington this 24th day of July 2014.

For and on behalf of the Electricity Authority:

HON ROGER SOWRY, ONZM, Member, Electricity Authority.

\**New Zealand Gazette*, 13 September 2012, No. 113, page 3239

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