

**Electricity Governance Regulations (Exemption
No. 116 (Contact Energy Limited))
Exemption Notice 2010**

Pursuant to Regulation 194 of the Electricity Governance Regulations 2003, the Electricity Commission gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Governance Regulations (Exemption No. 116 (Contact Energy Limited)) Exemption Notice 2010.

(2) This notice comes into force on **19 August 2010**.

2. Exemption—Contact Energy Limited (“Contact”) is exempted from compliance with Rule 11.5.2 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) This exemption expires on the earlier of:
 - (i) **31 October 2010**; and
 - (ii) the date on which Contact receives from the System Operator the final assessment completed under Clause 127.1 of Schedule C4 of Part C of the Rules; and
- (b) the exemption only applies to Contact’s Stratford Generating Unit 21 and Unit 22; and
- (c) Contact is exempted from paying an event charge only up to the equivalent injection of the maximum rating of either Generating Unit 21 or Generating Unit 22.

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

- (a) The exemption is not materially different from the exemptions granted previously from Rule 11.5.2 of Section IV of Part C of the Rules to other asset owners;
- (b) if the event charge applied, it could result in an excessively cautious approach being taken which may prolong the commissioning of the Stratford Generating Units 21 and 22 at a time when it is desirable to avoid delays in the expansion of the capacity of the electricity system; and
- (c) the purpose of commissioning tests is to prove and understand plant capabilities so that the plant’s performance can be relied on in normal operations.

Dated at Wellington this 16th day of August 2010.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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