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## ELECTRICITY GOVERNANCE REGULATIONS (EXEMPTION NO. 93 (RECONCILIATION PARTICIPANTS AND RECONCILIATION MANAGER) AND REVOCATION OF EXEMPTION NO. 90) NOTICE 2008

PURSUANT TO REGULATION 194 AND REGULATION 196  
OF THE ELECTRICITY GOVERNANCE REGULATIONS 2003

## Electricity Governance Regulations 2003

### Electricity Governance Regulations (Exemption No. 93 (Reconciliation Participants and Reconciliation Manager) and Revocation of Exemption No. 90) Notice 2008

Pursuant to Regulation 194 and Regulation 196 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. 93 (Reconciliation Participants and Reconciliation Manager) and Revocation of Exemption No. 90) Notice 2008.
- (2) This notice comes into force on the day after the date on which it is notified in the *New Zealand Gazette*.

#### 2. Interpretation

- (1) In this notice, **rules** means the Electricity Governance Rules made by the Minister of Energy under section 172H of the Electricity Act 1992 by notice published in the *New Zealand Gazette*, as may be amended from time to time.
- (2) Any term that is defined in the rules and used, but not defined, in this notice has the same meaning as in the rules.

#### 3. Exemptions

- (1) This clause applies to submission information relating to the consumption periods February 2008, March 2008, April 2008, May 2008, June 2008 and July 2008 that is not half-hour metering information.
- (2) Every reconciliation participant is exempted from the following requirements of the rules:
  - (a) The requirement in rule 2.2 of part J of the rules to correct information to which this clause applies; and
  - (b) the requirement in rule 4.1.2 of part J of the rules to ensure that submission information to which this clause applies is delivered to the reconciliation manager; and
  - (c) the requirement in rule 4 of schedule J3 of part J of the rules to report the proportion of historical estimates per balancing area contained within any submission to which this clause applies; and
  - (d) the requirement to comply with the timing requirements in rule 2 of schedule J4 of part J of the rules in respect of information to which this clause applies.

- (3) The reconciliation manager is exempted from the following requirements of the rules:
- (a) The requirement in rule 8.3.1 of part J of the rules to reconcile submission information to which this clause applies;
  - (b) the requirements in rule 11.1 of part J of the rules to reconcile information to which this clause applies, and to store any such information; and
  - (c) the requirement to comply with the timing requirements in rule 2 of schedule J4 of part J of the rules in respect of information to which this clause applies.

#### **4. Revocation of previous exemption**

The exemption entitled *Electricity Governance Regulations (Exemption No. 90 (Reconciliation Participants)) Exemption Notice 2008*<sup>1</sup> is revoked.

#### **5. Reasons for granting the exemptions and revoking Exemption No. 90**

The reasons for granting the exemptions and the revocation are:

- (a) Part J of the rules changes the reconciliation process from reconciliation on the basis of differencing to global reconciliation, which in turn changes how non half-hour metered volumes are allocated to participants between months. There would be a misallocation of volumes for the transitional revision period if the seasonal adjustment shapes were used for the allocation of information that is not half-hour metering information.
- (b) This misallocation would result in inaccurate settlements for all participants that were participants immediately prior to the commencement of part J of the rules.
- (c) A solution has been identified by the Commission that will ensure accurate allocation of electricity volumes for the transitional revision period. This solution requires an amendment to part J of the rules.
- (d) The purpose of the proposed exemptions is to avoid inaccurate settlements by exempting participants from the requirement to provide the relevant submission information to the reconciliation manager, and to exempt the reconciliation manager from the requirement to process such information.
- (e) This is intended to apply until the Commission is able to consult on the proposed rule amendment and recommend an appropriate rule amendment to the Minister.

**DATED** at Wellington this 15th day of August 2008.

For and on behalf of the Electricity Commission:

PETER HARRIS, Commissioner.

<sup>1</sup> *New Zealand Gazette*, 19 June 2008, No. 100, page 2709.