

Electricity Industry Participation Code Amendment (Transmission Pricing Methodology Related Amendments) 2024

Under section 38 of the Electricity Industry Act 2010, and having complied with section 39 of that Act, I make the following amendment to the Electricity Industry Participation Code 2010.

At Wellington on the 8th day of May 2024



Anna Kominik
Chair
Electricity Authority

Certified in order for signature:



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1 May 2024



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1 May 2024

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Amendment

1 Title

This is the Electricity Industry Participation Code Amendment (Transmission Pricing Methodology Related Amendments) 2024.

2 Commencement

This amendment comes into force on 17 June 2024.

3 Code amended

This amendment amends the Electricity Industry Participation Code 2010.

4 Clause 12.94A replaced (Amending the transmission pricing methodology)

Replace clause 12.94A with:

“12.94A Amending the transmission pricing methodology

“(1) Despite anything else in this Code, the Authority may amend the transmission pricing methodology under section 38 of the Act if–

- (a) the Authority complies with section 39(1) of the Act; or
- (b) the Authority is satisfied on reasonable grounds regarding any of the matters in section 39(3)(a), (b) or (c) of the Act (in which case sections 39(1)(b) and (c) of the Act will not apply to the amendment); or
- (c) section 40 of the Act applies (in which case section 39(1) of the Act will not apply to the amendment).

“(2) When consultation is required on an amendment to the transmission pricing methodology under subsection (1), the Authority must include an explanation of whether it considers the amendment to be consistent with the intent of the most recent guidelines published under clause 12.83(b), and if it does not consider the amendment to be consistent, the reasons why the Authority considers the amendment to nevertheless be consistent with section 32(1) of the Act.”

5 New clause 12.102C inserted (Authority may provide information)

After clause 12.102B, insert:

“12.102CAuthority may provide information

Subject to any applicable law including any other provision of this Code, the Authority may provide to Transpower any information it holds for the purpose of enabling Transpower to calculate transmission charges. The Authority may provide the information subject to any conditions the Authority considers appropriate.”

6 Clause 28 of Schedule 12.4 amended (Funded Asset Component)

(1) In clause 28(2)(b) of Schedule 12.4, replace “.” with “; and”.

(2) After clause 28(2)(b) of Schedule 12.4, insert:

“(c) there is, in respect of the customer, at least one prior contributing customer who has a non-zero connection customer allocation for the funded asset.”

7 Clause 59 of Schedule 12.4 amended (Overview of Simple Method)

Replace clause 59(1)(b)(iii) of Schedule 12.4 with:

- “(iii) those **high-value post-2019 BBIs** to which Transpower applies the **simple method** in accordance with subclause 43(4A); and
- “(iv) **anticipatory BBIs.**”

8 Clause 83 of Schedule 12.4 amended (Benefit-based Charge Adjustment Event: New Customer)

In clause 83(13) of Schedule 12.4, in the definition of I, replace “if” with “of”.

9 Clause 84 of Schedule 12.4 amended (Benefit-based Charge Adjustment Event: Exiting Customer)

In clause 84 of Schedule 12.4, replace subclauses (5) and (6) with:

“(5) In subclauses (6) and (7), a **continuing BBI** is any of the following BBIs:

- (a) the Bunnythorpe Haywards **Appendix A BBI** if—
 - (i) the exiting customer was a beneficiary of the Bunnythorpe Haywards **Appendix A BBI** immediately before ceasing to be a customer; and
 - (ii) the Bunnythorpe Haywards **Appendix A BBI** was commissioned less than 10 years before the date the exiting customer ceased to be a customer;
- (b) a **post-2019 BBI**—
 - (i) which is not an **anticipatory BBI**; and
 - (ii) of which the exiting customer was a beneficiary immediately before ceasing to be a customer; and
 - (iii) in the case of a **post-2019 BBI** under a **standard method** or a **high-value intervening BBI** under the **simple method**, commissioned or deemed to have been commissioned less than 10 years before the date the exiting customer ceased to be a customer; and
 - (iv) in the case of any other **post-2019 BBI** under the **simple method**, commissioned during a **simple method period** that started less than 12.5 years before the date the exiting customer ceased to be a customer, provided that Transpower must treat all such BBIs commissioned during that **simple method period** in an investment region as a single **continuing BBI** in that investment region with a covered cost equal to the aggregate of all such BBIs’ covered costs.

“(6) Subclause (7) applies to a **continuing BBI** until—

- (a) in the case of the Bunnythorpe Haywards **Appendix A BBI**, a **post-2019 BBI** under a **standard method** or a **high-value intervening BBI** under the **simple method**, the start of the first pricing year that starts at least 10 years after the **continuing BBI’s commissioning date** or **deemed commissioning date**; and
- (b) in the case of any other **post-2019 BBI** under the **simple method**, the start of the first pricing year that starts at least 12.5 years after the start of the **simple method period** during which the **continuing BBI** was commissioned.”

10 Clause 85 of Schedule 12.4 amended (Benefit-based Charge Adjustment Event: Large Plant Connected or Disconnected)

In clause 85 of Schedule 12.4, replace subclauses (4) and (5) with:

“(4) In subclauses (5) and (6), a **continuing BBI** is any one of the following BBIs:

- (a) the Bunnythorpe Haywards **Appendix A BBI** if—
 - (i) the exiting customer was a beneficiary of the Bunnythorpe Haywards **Appendix A BBI** immediately before ceasing to be a customer; and
 - (ii) the Bunnythorpe Haywards **Appendix A BBI** was commissioned less than 10 years before the date the exiting customer ceased to be a customer;
- (b) a **post-2019 BBI**—
 - (i) which is not an **anticipatory BBI**; and

- (ii) of which the notional exiting customer was a beneficiary immediately before the disconnection of the large plant; and
- (iii) in the case of a post-2019 BBI under a standard method or a high-value intervening BBI under the simple method, commissioned or deemed to have been commissioned less than 10 years before the date the large plant was disconnected; and
- (iv) in the case of any other post-2019 BBI under the simple method, commissioned during a simple method period that started less than 12.5 years before the date the large plant was disconnected, provided that Transpower must treat all such BBIs commissioned during that simple method period in an investment region as a single continuing BBI in that investment region with a covered cost equal to the aggregate of all such BBIs' covered costs.

“(5) Subclause (6) applies to a continuing BBI until—

- (a) in the case of the Bunnythorpe Haywards Appendix A BBI or a post-2019 BBI under a standard method or a high-value intervening BBI under the simple method, the start of the first pricing year that starts at least 10 years after the continuing BBI's commissioning date or the deemed commissioning date; and
- (b) in the case of any other post-2019 BBI under the simple method, the start of the first pricing year that starts at least 12.5 years after the start of the simple method period during which the continuing BBI was commissioned.”

Explanatory Note

This note is not part of the amendment, but is intended to indicate its general effect.

This amendment to the Electricity Industry Participation Code 2010 (the Code) comes into force on 17 June 2024.

The amendment amends Part 12 of the Code to:

- clarify when the Authority may amend the transmission pricing methodology in Schedule 12.4 of the Code (TPM)
- enable the Authority to share information with Transpower for the purpose of calculating transmission charges
- correct the funded asset component and funded rebate mechanism in clauses 28 and 29 of the TPM, clarify the continuing BBI mechanism for low-value investments and anticipatory BBIs in clauses 84 and 85 of the TPM, and make other minor corrections to the TPM.

More information about the amendments is available on the Electricity Authority's website <https://www.ea.govt.nz/>
