

Guidelines on Part 3 of the Electricity Industry Act and Part 6A of the Electricity Industry Participation Code

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Guidelines on Part 3 of the Electricity Industry Act and Part 6A of the Electricity Industry Participation Code

1. Purpose

- 1.1. Part 3 of the Electricity Industry Act 2010 (Act) and Part 6A of the Electricity Participation Code 2010 (Code) contain rules relating to the separation of distribution from certain generation and retailing (Rules).
- 1.2. These guidelines are intended to assist industry participants (participants), specified persons and others who may be affected by the Rules, by summarising the key Rules and describing the responsibilities of the Electricity Authority Te Mana Hiko (Authority) under the Rules.
- 1.3. These guidelines are provided for general information only and are not a substitute for legal advice. Given the complex nature and scope of the Rules discussed in these guidelines, any parties to whom the Rules are likely to apply should seek specialist legal advice.

2. The Rules promote competition in the electricity industry

- 2.1. The purpose of the Rules is to promote competition in the electricity industry, by:
 - (a) prohibiting a person who is involved in a distributor from being involved in a generator where that may create incentives and opportunities to inhibit competition in the electricity industry (see Part 3 of the Act), and
 - (b) restricting relationships between a distributor and a generator or a retailer, where those relationships may not otherwise be at arm's-length (see Part 6A of the Code).
- 2.2. Implicit in the purpose outlined above is that the involvements to which the Rules apply, and the relationships between parties that are involved, may inhibit competition in the electricity industry.
- 2.3. The solution, as implemented in the Rules, is to require ownership separation, corporate separation, and the implementation of other safeguards such as arm's-length rules and other requirements relating to distributor agreements, transfer of customers, and the payment of rebates or dividends.

Background

- 2.4. The Rules have their origins in the Electricity Industry Reform Act 1998, which originally required full ownership separation of distribution businesses from generation and retailing businesses.¹ These restrictions were subsequently relaxed to allow distribution businesses to own some generating stations, and to allow distributors to sell the output from those stations. When the Act replaced the Electricity Industry Reform Act in 2010, some of these provisions were carried over into Part 3 of the Act.
- 2.5. The Electricity Industry Amendment Act 2022 then shifted some of the Rules from Part 3 of the Act to new Part 6A of the Code. This was to give the Authority jurisdiction to develop

¹ For a summary of these and other electricity industry reforms, see *Chronology of New Zealand Electricity Reform*, available MBIE's website: [Chronology of New Zealand Electricity Reform \(mbie.govt.nz\)](https://www.mbie.govt.nz/chronology-of-new-zealand-electricity-reform)

new rules to address any competition-related problems arising from distributors' involvements in other contestable markets if and when they emerge.²

- 2.6. The content of the Rules themselves remained largely unchanged from 2010 until 2024, when the Authority decided to expand the application of the rules in Part 6A of the Code to non-rotating generation, to ensure those rules apply equally to all types of generation.³

3. What the Rules are about

- 3.1. The Rules address whether, and how, a distributor (or a person 'involved in' a distributor) may be 'involved in' certain generation and retailing.
- 3.2. The term 'involved in' has the specific meaning given to it by section 6A of the Act. This provides that a person is involved in an industry participant if the person:
 - (a) carries on a business as an industry participant, either alone or together with its associates and either on its own or on another's behalf, or
 - (b) exceeds the '10% threshold' in respect of a business that is an industry participant, or
 - (c) has 'material influence' over a business that is an industry participant.
- 3.3. The terms '10% threshold' and 'material influence', as well as other terms relevant to the definition of 'involved in', are defined in section 6A and Schedule 2 of the Act.
- 3.4. To assist in determining when an interest or involvement will (or will not) engage the Rules, Schedule 2 of the Act lists certain types of interests and involvements that do not count for the purposes of section 6A. This includes interests in distributors and generators that are considered too small to count for the purposes of section 6A,⁴ and other interests that arise only out of financial relationships or other benign arrangements, such as an industry service provider that is only involved because of its position as a service provider.⁵

4. Summary of the Rules

- 4.1. There are three sets of rules, which deal with different levels and/or types of involvement in distributors (on the one hand) and generators or retailers (on the other). Set out below is a general summary of the relevant Rules.
- 4.2. Appendix A includes a more detailed summary. Appendix B includes a glossary of key terms defined in the Act and the Code and used in these guidelines.

Ownership separation

- 4.3. The strictest rule relates to ownership separation and is in Part 3 of the Act (section 73).
- 4.4. The ownership separation rule applies to any person and provides that a person involved in a distributor must not be involved in one or more generators that have a 'total capacity' (as defined in section 73(3)) of more than 250MW that is generated by one or more generating plants that are directly connected to the national grid.

² Electricity Industry Amendment Bill (explanatory note) at 3.

³ See definition of 'connected generation' in Appendix B. This change is explained in the Authority's Omnibus Two decision paper, available on its website: [Code amendment omnibus two: December 2023](#)

⁴ See clauses 2 and 3 of Schedule 2 of the Act.

⁵ See clause 4 of Schedule 2 of the Act.

Corporate separation and arm's-length rules

- 4.5. The next subset of Rules are corporate separation and arm's-length rules for distributors and connected generators and connected retailers. These rules are in Part 6A of the Code.
- 4.6. Clause 6A.3(3) of the Code defines 'connected generator' and 'connected retailer' for the purposes of these rules as follows:
- (a) a **connected generator** means a generator that has 'connected generation' (as defined in clause 6A.2) of more than 50 MW of generation that is connected to any of the distributor's networks, and in respect of which the distributor, or any other person involved in the distributor, is involved
 - (b) a **connected retailer** means a retailer that is involved in retailing more than 75 GWh of electricity in a financial year to customers who are connected to any of the distributor's networks, and in respect of which the distributor, or any other person involved in the distributor, is involved.
- 4.7. The corporate separation and arm's-length rules apply to certain **participants** and **specified persons**. A 'specified person' is a person (other than an industry participant) who is involved in both classes of industry participant that are the subject of any Code provisions that are intended to restrict relationships between the two classes of industry participants, where those relationships may not otherwise be at arm's length.⁶

Corporate separation

- 4.8. Under the corporate separation rule, any participant or specified person who carries on the business of distribution must carry on that business in a different company from the company that carries on the business of a connected generator or connected retailer: see clause 6A.3(1).
- 4.9. This means that it is possible for a person to be involved in distribution as well as generation or retailing. However, the generation or retailing business must be carried on in a company that is separate from the distribution business.

Arm's-length rules

- 4.10. When there is a connected generator or connected retailer in respect of a distributor, the arm's-length rules in Schedule 6A.1 of the Code apply: see clause 6A.3(2).
- 4.11. The arm's-length rules must be complied with by the distributor and connected generator or connected retailer (as the case may be), as well as any relevant specified person⁷ and any other participant involved in the distributor, connected generator or connected retailer.
- 4.12. The objective of the arm's-length rules is to ensure that distributors, connected retailers and connected generators operate at arm's-length.⁸ The arm's-length rules themselves impose obligations that seek to meet that objective, and include, for example, a non-discrimination rule, separate management rule, a requirement for at least 2 independent directors, restrictions on use of information and record keeping requirements.⁹

⁶ See section 32(6) of the Act.

⁷ Being a specified person who is involved in the distributor and either a connected generator or connected retailer in respect of the distributor.

⁸ See clause 1, Schedule 6A.1 of the Code.

⁹ The arm's-length rules are in clauses 3A to 3M of Schedule 6A.1 of the Code.

Reporting compliance and publication

- 4.13. Each participant and specified person to whom the arm's-length rules apply must provide the Authority, no later than 31 March in each year, with a statement confirming whether the person has complied with all of the arm's-length rules during the preceding calendar year: see clause 6A.8.
- 4.14. Statements must be published by the Authority and, if the person who provided the statement is a participant, the participant.
- 4.15. The Authority has published the prescribed form for reporting compliance with the arm's-length rules on its website.¹⁰

Other Rules – transparency and monitoring

- 4.16. The other Rules are set out in Part 6A of the Code (clauses 6A.4 to 6A.6) and are directed at ensuring transparency in the electricity market and enabling the Authority to monitor compliance with the Rules.
- 4.17. Clauses 6A.4 to 6A.6 apply when a distributor has a 'connected generator' or a 'connected retailer'. These terms are defined differently, with lower thresholds, to how they are defined for the purpose of the corporate separation and arm's-length rules, as follows:
 - (a) a **connected generator** means a generator that has connected generation of more than 10 MW of generation that is connected to any of the distributor's networks, and in respect of which the distributor, or any other person involved in the distributor, is involved
 - (b) a **connected retailer** means a retailer that is involved in retailing more than 5 GWh of electricity on the distributor's local network in a financial year to customers who are connected to that network, and in respect of which the distributor, or any other person involved in the distributor, is involved.
- 4.18. These rules impose obligations in relation to distributor agreements, transfers, and rebates, as follows:

Distributor agreements

- 4.19. Clause 6A.4 requires every distributor in respect of which there is a connected retailer or connected generator to have a 'comprehensive, written distributor agreement that provides for the supply of line function services and information to the connected retailer or connected generator (as the case may be)'. The terms of that agreement must meet certain requirements, and the distributor must operate in accordance with that agreement.
- 4.20. If there is an existing distributor agreement between the parties that was entered into before this obligation applies (for example, before a retailer becomes a 'connected retailer' under the Code), this existing agreement would be capable of satisfying this obligation (assuming it met the other requirements of the provision). A 'default distributor agreement' entered into with a connected retailer under Part 12A of the Code, or a 'connection contract' entered into with a connected generator under Part 6 of the Code, may be capable of satisfying this requirement (provided that agreement meets the requirements of clause 6A.4(1)(a) and (b)). Reliance on the 'regulated terms' under Part 6 of the Code in relation to connected

¹⁰ The prescribed form under clause 6A.8 is available at: [Distributors' obligations | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/distributors-obligations)

generators would not satisfy this obligation, because the regulated terms apply by operation of the Code in the absence of a connection contract.

Payments for transfer of retail customers to connected retailers prohibited

- 4.21. Clause 6A.5 applies if a distributor has a connected retailer. It prohibits the payment, or offer of payment, of any consideration to a retailer in respect of the transfer to a connected retailer of any retail customers who are connected to the distributor's networks.
- 4.22. The prohibition in clause 6A.5 applies to the distributor, connected retailer and any connected generator, as well as any participant who is involved in one of those participants, and any specified person who is involved in the distributor and either the connected retailer or a connected generator.

No discrimination when paying rebates or dividends

- 4.23. Clause 6A.6 applies if a distributor has a connected retailer. It provides that the distributor and certain specified persons (including any consumer trust, community trust or consumer co-operative involved in the distributor and the connected retailer, and associated trustees and directors respectively with similar involvements) must ensure that any rebates or dividends or similar payments made by the distributor do not discriminate between customers of the connected retailer and customers of other retailers where those customers are connected to the distributor's networks.

Reporting compliance and publication

- 4.24. Clause 6A.4 requires a distributor to publish, and to provide to the Authority:
 - (a) each distributor agreement the distributor has with each connected retailer or connected generator (as the case may be); and
 - (b) a statement in respect of each preceding calendar year regarding the terms of the distributor agreement and compliance with clause 6A.4.
- 4.25. The prescribed form for the statement is available on the [Authority's website](#).
- 4.26. Clause 6A.7 also requires each distributor referred to in clause 6A.4(1) to disclose to the Authority the quantity of electricity sold each financial year by connected retailers to customers who are connected to its local network.
- 4.27. The disclosure must be made in a statement to the Authority within 2 months after the end of the financial year.
- 4.28. The statement must be in the form prescribed by the Authority. The form is available on the [Authority's website](#).
- 4.29. The statement must be published by the Authority and by the distributor.

5. Responsibilities of the Authority

- 5.1. The Authority's responsibilities in relation to the Rules in Part 3 of the Act and Part 6A of the Code include:
 - (a) receiving distributor agreements and annual statements regarding distributor agreements (under clause 6A.4 of the Code);
 - (b) receiving and publishing electricity quantity disclosure statements (under clause 6A.7 of the Code);

- (c) receiving and publishing statements of compliance with the arm's-length rules (under clause 6A.8 of the Code);
- (d) processing applications for exemptions and dispensations; and
- (e) investigating and enforcing compliance with Part 3 of the Act and Part 6A of the Code.¹¹

5.2. The matters referred to in (a) to (c) above are discussed in the preceding section summarising the Rules. The information disclosures referred to in (b) and (c) above are published on the Authority's website: [Information disclosures | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/information-disclosures). Set out below is a summary of the matters referred to in (d) and (e).

Exemptions and dispensations

- 5.3. The Authority can grant an exemption or dispensation to exclude a person from needing to comply with any of the Rules if certain requirements are met.
- 5.4. The type of exemption or dispensation required depends on the relevant rule and, if the rule is in the Code, whether the person is a participant or a specified person. The Authority can grant:
 - (a) an exemption to any person from the ownership separation rule, under section 90 of the Act (a 'section 90 exemption')¹²
 - (b) an exemption to an industry participant from any of the rules in Part 6A of the Code, under section 11 of the Act (a 'Code exemption'), and
 - (c) a dispensation to a specified person, excluding them from compliance with any of the rules in Part 6A of the Code, under clause 6A.9 of the Code (a 'Part 6A dispensation').

Section 90 exemptions

- 5.5. Under section 90(1) of the Act, the Authority may, by notice in the *Gazette*, exempt:
 - (a) any business or involvement from the application of the ownership separation rule; or
 - (b) any person from compliance with the ownership separation rule.
- 5.6. Section 90 recognises that the policy that the ownership separation rule is intended to implement will not always be compromised by a person's involvement in a distributor and a generator.
- 5.7. However, section 90(2) provides that the Authority may grant an exemption only if it is satisfied that:
 - (a) the exemption will either promote, or not inhibit, competition in the electricity industry; and
 - (b) the exemption will not permit an involvement in a distributor and a generator that may create incentives and opportunities to inhibit competition in the electricity industry.
- 5.8. The Authority may grant an exemption on any terms and conditions that it reasonably considers are necessary to give effect to the purpose of Part 3. As a general principle (and subject to considering the details of specific cases), the Authority's view is that, where it

¹¹ Sections 16(1)(d) and (e) of the Act.

¹² While section 90 relates to exemptions in relation to Part 3 of the Act as a whole, since the 2022 amendments to the Act Part 3 only contains one operative rule, the ownership separation rule. The other rules have been shifted to Part 6A of the Code, and exemptions from the Code are dealt with under section 11 of the Act.

considers that the grounds for an exemption are met, any exemption granted should be the minimum necessary to permit an involvement that would be prohibited by the ownership separation rule, but that otherwise the application of Part 3 should be preserved.

Section 90(1)(a)

- 5.9. Under section 90(1)(a) of the Act, the Authority may exempt 'any business or involvement' from the application of the ownership separation rule. That is, the exemption relates to a business, generally, or an involvement, generally.
- 5.10. The effect of an exemption under section 90(1)(a) is that the business or involvement is not taken into account in determining whether the ownership separation rule applies to a business or to a person (such as a director of a distributor): clause 4(1)(a) of Schedule 2 of the Act. This means that other persons may obtain the benefit of the exemption in terms of being excused from complying with the ownership separation rule.

Section 90(1)(b)

- 5.11. Under section 90(1)(b), the Authority may exempt any person from compliance with the ownership separation rule.
- 5.12. The effect of such an exemption is that the person to whom the exemption applies is not required to comply with the ownership separation rule. Unlike exemptions granted under section 90(1)(a), if a person is exempted from the ownership separation rule under section 90(1)(b), their involvement must still be taken into account in determining whether the ownership separation rule applies to other persons, businesses, or involvements.

Code exemptions

- 5.13. Section 11 of the Act gives the Authority the power to exempt a participant from complying with their obligations under the Code. These obligations now include the corporate separation and arm's-length rules, and other rules relating to transparency and monitoring contained in Part 6A of the Code.
- 5.14. The test for granting a Code exemption is different from the test for section 90 exemptions. To grant a Code exemption, the Authority must be satisfied that:
 - (a) it is not necessary, for the purpose of achieving the Authority's objectives under section 15, for the participant to comply with the Code or the specific provisions of the Code; or
 - (b) exempting the participant from the requirement to comply with the Code or the specific provisions of the Code would better achieve the Authority's objectives than requiring compliance.
- 5.15. An overview of Code exemptions is outlined in the Authority's separate Guidelines on Code exemptions, available on the Authority's website: [Guidelines on Code exemptions \(ea.govt.nz\)](http://ea.govt.nz).

Part 6A dispensations

- 5.16. A specified person can apply for a Part 6A dispensation under clause 6A.9 of the Code. This provides an alternative to a Code exemption for specified persons, as a Code exemption can only be granted to a participant under section 11 of the Act.
- 5.17. A Part 6A dispensation has the same effect as a Code exemption, and means that a specified person can be excluded from compliance with any or all of the Part 6A rules in the same way as a participant who obtains a Code exemption.

- 5.18. A specified person might wish to apply for a Part 6A dispensation if their own interests mean that they are involved in both a distributor and a connected generator or connected retailer (such as a person who is a non-executive director of a distributor and a generator or retailer).
- 5.19. Alternatively, if a participant seeks a Code exemption in relation to their business involvements, senior management who are working across the distribution business and the connected retailer or connected generator may also require Part 6A dispensations. This is because, unlike section 90 exemptions discussed above, a Code exemption does not exempt the 'involvement' for the purposes of determining whether the rules in Part 6A of the Code apply to others. If a business obtained a Code exemption, any specified persons (or other participants) would still have to comply with any obligations they have under Part 6A. Equally, if a specified person obtains a Part 6A dispensation, Part 6A continues to apply to the participants the specified person is involved in.
- 5.20. The test for granting a Part 6A dispensation is the same as that for a Code exemption.

Process for exemptions and dispensations

- 5.21. An overview of the application process for section 90 exemptions, Code exemptions and Part 6A dispensations, and the process the Authority follows when it receives an application, is available on the Authority's website: [Exemptions and dispensations | Electricity Authority \(ea.govt.nz\)](https://www.ea.govt.nz/exemptions-and-dispensations)
- 5.22. Applicants must provide sufficient and specific information to enable the Authority to understand the nature of the exemption or dispensation sought and the reasons why it should be granted.
- 5.23. If more than one type of exemption or dispensation is required, these can be applied for at the same time.
- 5.24. In some cases, the Authority may publish the application on the Authority's website, and/or a draft decision, including any proposed conditions, and seek comments on the draft, prior to making a final decision.
- 5.25. The Authority will provide written reasons for its decisions. When a section 90 exemption or a Code exemption is granted, the Authority will also, as required by sections 11(5) and 90(1), publish notice of the exemption in the Gazette. A list of all current dispensations and exemptions is published on the [Authority's website](https://www.ea.govt.nz/exemptions-and-dispensations) as required by section 11(6) of the Act and clause 6A.9(7) of the Code

Information gathering and other powers

- 5.26. The Authority has powers to gather information from participants for the purpose of monitoring compliance, including with the rules in Part 3 of the Act and Part 6A of the Code.¹³
- 5.27. The Authority has the power to require an industry participant to:
- (a) provide information, papers, recordings, and documents that are in the possession, or under the control, of the participant;
 - (b) permit its officers or employees to be interviewed; and

¹³ Section 45(a)(i) and 46 of the Act.

- (c) give all other assistance that may be reasonable and necessary to enable the Authority to carry out its functions and exercise its powers.
- 5.28. The processes that the Authority will apply in respect of these information gathering powers are described in the Authority's [Guidelines for the use of Information Gathering Powers for Compliance Purposes](#).
- 5.29. In exercising its powers in relation to the ownership separation rule, the Authority also has the powers given to the Commerce Commission in Part 7 of the Commerce Act 1986.¹⁴ These powers include the power to:
- (a) require, by notice, any person to:
 - (i) provide any information or class of information specified in the notice;
 - (ii) produce any document or class of document specified in the notice;
 - (iii) appear before the Authority to give evidence and produce any document or class of document specified in the notice;
 - (b) receive in evidence any statement, document, information, or matter that may assist the Authority to deal effectively with a matter relating to the ownership separation rule;
 - (c) search, under a warrant, any place named in the warrant for the purpose of ascertaining whether a person has contravened the ownership separation rule;
 - (d) make an order prohibiting the publication or communication of any information, document or evidence;
 - (e) state a case for the opinion of the High Court on any question of law arising; and
 - (f) prescribe forms for applications, notices, and other documents required for the purposes of Part 3.

Enforcement and penalties

Ownership separation

- 5.30. The Authority can bring proceedings in the High Court for a breach of the ownership separation rule (section 80 of the Act).
- 5.31. If the High Court is satisfied that an individual has breached the ownership separation rule, it may make a pecuniary penalty order not exceeding \$500,000 in respect of each act or omission. For a body corporate, the pecuniary penalty order must not exceed the greater of \$10 million, three times the commercial gain resulting from the contravention (if that can be ascertained), or 10% of the turnover of the body corporate and all of its interconnected bodies corporate (if the commercial gain cannot be ascertained).
- 5.32. The High Court may also grant injunctions or damages in appropriate cases.
- 5.33. The Authority's approach to compliance with Part 3 is consistent with its general approach to all compliance matters.

Part 6A of the Code

- 5.34. The Authority's [Enforcement Policy](#) sets out how the Authority approaches alleged breaches of the Code by participants, including the corporate separation, arm's-length, and transparency and monitoring rules in Part 6A of the Code.

¹⁴ Section 85 of the Act.

5.35. Complaints about breaches or possible breaches of the Code by participants may be heard and determined by the Rulings Panel. Under the Act, the Rulings Panel has the power to make a range of remedial orders, including requiring a participant to pay a pecuniary penalty not exceeding \$2 million (plus a further amount of up to \$10,000 per day for ongoing breaches), and making a compensation order requiring a participant to pay a sum by way of compensation to any other person.¹⁵

¹⁵ Section 54 of the Act.

Appendix A: Table of responsibilities under Part 3 of the Act and Part 6A of the Code

A more detailed summary of responsibilities under Part 3 of the Act and Part 6A of the Code is set out in Table 1. Key terms which are listed in the glossary in Appendix B are in bold.

Table 1: Responsibilities of participants under Part 3

Person with obligation	Relevant obligation(s)
Any person involved in a distributor (including distributors).	<ul style="list-style-type: none"> Must not be involved in 1 or more generators that have a total capacity of more than 250MW generated by 1 or more generating plants that are directly connected to the national grid. <p>Reference: section 73 of the Act.</p>
A participant or specified person who carries on the business of distribution.	<ul style="list-style-type: none"> Must carry on that business in a different company from the company that carries on the business of a connected generator (>50 MW of connected generation) or connected retailer (>75GWh per financial year sold over the distributor's networks). <p>Reference: clause 6A.3(1) of the Code.</p>
<p>Every distributor, when there is a connected generator or connected retailer.</p> <p>A connected generator (>50 MW of connected generation).</p> <p>A connected retailer (>75GWh per financial year sold over the distributor's networks).</p> <p>A specified person.</p> <p>Any other participant which is involved in the distributor, connected generator or connected retailer.</p>	<ul style="list-style-type: none"> Must comply with the arm's-length rules set out in Schedule 6A.1 of the Code. <p>Reference: clause 6A.3(2) of the Code.</p> <ul style="list-style-type: none"> Must publish, and provide to the Authority, a statement confirming whether they have complied with all of the arm's-length rules during the preceding calendar year, no later than 31 March in each year. <p>Reference: clause 6A.8 of the Code.</p>

Person with obligation	Relevant obligation(s)
<p>Every distributor with a connected generator (>10 MW of connected generation) or connected retailer (>5GWh per financial year sold over the distributor's networks).</p>	<ul style="list-style-type: none"> • Must have a comprehensive written distributor agreement with the connected generator or connected retailer, that meets the requirements in clause 6A.4(1)(b). • Must operate in accordance with that distributor agreement. • Must publish and provide the Authority with a copy of the distributor agreement. • Must publish and provide to the Authority a statement indicating whether, in the preceding calendar year, the terms of the distributor agreement are a true and fair view of the terms on which line function services and information were supplied, and whether or not clause 6A.4 was otherwise fully complied with. <p>Reference: clause 6A.4 of the Code.</p>
<p>A distributor with a connected retailer (>5GWh/pa sold over the distributor's networks).</p> <p>A connected generator (>10 MW connected to distributor's network).</p> <p>A connected retailer (>5GWh per financial year sold over the distributor's networks).</p> <p>Any participant involved in the distributor, connected retailer or connected generator.</p> <p>A specified person.</p>	<ul style="list-style-type: none"> • Must not pay, or offer to pay, any consideration to a retailer in respect of the transfer of retail customers connected to the distributor's networks to connected retailers (>5GWh per financial year sold over the distributor's networks). <p>Reference: clause 6A.5 of the Code.</p>
<p>Any distributor which has a connected retailer.</p> <p>Any director of the distributor who is involved in the connected retailer.</p> <p>Any community or customer trust involved in the distributor and connected retailer (>5GWh per financial year sold over the distributor's networks) and any trustees of that trust.</p> <p>Any customer co-operative involved in the distributor and connected retailer.</p>	<ul style="list-style-type: none"> • Must ensure that any rebates or dividends or similar payments do not discriminate between customers of a connected retailer (>5GWh per financial year sold over the distributor's networks) and customers of other retailers on its network. <p>Reference: clause 6A.6 of the Code.</p>
<p>Every distributor with a connected generator (>10 MW of connected generation) or connected retailer (>5GWh per financial year sold over the distributor's networks).</p>	<ul style="list-style-type: none"> • Must publish and provide to the Authority a statement disclosing the quantity of electricity sold each financial year by connected retailers to customers who are connected to its local network, within two months after the end of the financial year. <p>Reference: clause 6A.7 of the Code.</p>

Appendix B Glossary of defined terms

The Act and the Code contain many definitions relevant to the rules discussed in these guidelines. Table 2 below contains key definitions which are mentioned in these guidelines.

Table 2: Glossary of defined terms

arm's-length rules	means the objective and rules set out in Schedule 6A.1 of the Code.
connected generation	<p>means the sum of the maximum capacity of each generating unit of the generator, where maximum capacity of each generating unit is the greatest amount for each generating unit, in MW, that is:</p> <ul style="list-style-type: none"> (a) offered into the wholesale market as offers or reserve offers; or (b) gifted to the wholesale market by giving notice under clause 15.13 that the generation is not receiving payment from the clearing manager; or (c) contracted to the system operator as an ancillary service; or (d) for generation that is not included in any of (a), (b), or (c) above, the nameplate capacity of the generating unit
connected generator	<p>for the purpose of clause 6A.3, in relation to a distributor, means a generator—</p> <ul style="list-style-type: none"> (a) that has connected generation of more than 50 MW of generation that is connected to any of the distributor's networks; and (b) in respect of which the distributor, or any other person involved in the distributor, is involved <p>for the purpose of clauses 6A.4 and 6A.5, in relation to a distributor, means a generator—</p> <ul style="list-style-type: none"> (a) that has connected generation of more than 10 MW of generation that is connected to any of the distributor's networks; and (b) in respect of which the distributor, or any other person involved in the distributor, is involved
connected retailer	<p>for the purpose of clause 6A.3, in relation to a distributor, means a retailer—</p> <ul style="list-style-type: none"> (a) that is involved in retailing more than 75 GWh of electricity in a financial year to customers who are connected to any of the distributor's networks; and (b) in respect of which the distributor, or any other person involved in the distributor, is involved <p>for the purposes of clauses 6A.4, 6A.5 and 6A.6, in relation to a distributor, means a retailer—</p> <ul style="list-style-type: none"> (a) that is involved in retailing more than 5 GWh of electricity on the distributor's local network in a financial year to customers who are connected to that network; and (b) in respect of which the distributor, or any other person involved in the distributor, is involved

distributor	means a business involved in distribution
distributor agreement	means an agreement between a distributor and a participant trading on, connected to, or using the distributor's network or equipment connected to the distributor's network
involved in	a person is involved in a participant if the person— (a) carries on a business as a participant , either alone or together with its associates and either on its own or another's behalf; or (b) exceeds the 10% threshold in respect of a business that is a participant; or (c) has material influence over a business that is a participant.
nameplate	means, for the purposes of the definition of total capacity , the full-load continuous rating of a generating plant under specific conditions as designated by its manufacturer and measured in megawatts in accordance with International Electrotechnical Commission Standard 60034-1 or any successor to that standard or any recognised equivalent standard
participant	means a person, or a person belonging to a class of persons, identified in section 7 of the Act as being a participant in the electricity industry
publish	means, in respect of information that the Authority is required to publish under the Code, to make the information available to the public, at no cost, on a website maintained by, or on behalf of, the Authority means, in respect of information that a participant is required to publish under the Code, to make the information available to the public, at no cost, on a website maintained by, or on behalf of, the participant
specified person	means a person (other than a participant) who is involved in both classes of participant that are the subject of any provisions of the Code that are for the purpose of restricting relationships between 2 classes of participant , where those relationships may not otherwise be at arm's-length.
total capacity	means, the purposes of section 73 of the Act (the ownership separation rule), the total nominal capacity of a generator in a financial year (determined according to the nameplates of all of the generator's generating plants)