

Reprint
as at 1 November 2010

**Electricity Industry Reform
Amendment Act 2004**

Public Act 2004 No 81
Date of assent 17 October 2004

Electricity Industry Reform Amendment Act 2004: repealed, on 1 November 2010, pursuant to section 165 of the Electricity Industry Act 2010 (2010 No 116).

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Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this eprint.

A general outline of these changes is set out in the notes at the end of this eprint, together with other explanatory material about this eprint.

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The Parliament of New Zealand enacts as follows:

1 Title

- (1) This Act is the Electricity Industry Reform Amendment Act 2004.
- (2) In this Act, the Electricity Industry Reform Act 1998 is called “the principal Act”.

2 Commencement

This Act is deemed to have come into force on 20 May 2003.

3 Purpose of this Part

The principal purpose of this Part is to provide new exemptions from the ownership separation rules (but not the corporate separation rules or the arms length rules) in respect of—

- (a) generation commissioned after 20 May 2003, if the generating capacity of the generation is no more than the greater of 50 MW and 20% of the maximum demand of the lines owned or operated by the person:
- (b) reserve energy contracted to the Electricity Commission as dry-year reserve.

4 Interpretation

- (1) Section 3(1) of the principal Act is amended by adding to paragraph (b) of the definition of **exempt person** the words “or section 46C (exemptions for generation commissioned after 20 May 2003 and for reserve energy)”.
- (2) Section 3(1) of the principal Act is amended by inserting, after the definition of **material influence**, the following definition:

“**maximum demand** means, in relation to lines, the single highest half-hourly input (in kilowatts), during a particular financial year, to the lines, after allowing for diversity of the demand at each point of input”.

5 Meaning of electricity supply business

- (1) Section 5(2)(e)(i) of the principal Act is amended by omitting the words “of the system”, and substituting the words “of the lines”.
- (2) Section 5 of the principal Act is amended by inserting, after subsection (3), the following subsection:
“(3A) Transpower New Zealand Limited, and any subsidiary of or successor to that company, may, without coming within subsection (1), contract with an electricity supply business for that electricity supply business to generate electricity for the purpose of deferring the need for investment by Transpower New Zealand Limited, or any subsidiary of or successor to that company, in the national grid.”
- (3) Section 5(4) of the principal Act is amended by repealing the definition of **maximum demand**.

6 Corporate separation

Section 24 of the principal Act is amended by inserting, after the words “new renewable energy source)”, the words “or section 46C (exemptions for generation commissioned after 20 May 2003 and for reserve energy)”.

7 Arms length rules

Section 25(1) of the principal Act is amended by inserting, after the words “new renewable energy source)”, the words “or section 46C (exemptions for generation commissioned after 20 May 2003 and for reserve energy)”.

8 Purpose of sections

- (1) Section 27 of the principal Act is amended by omitting the words “sections 28 to 46B”, and substituting the words “sections 28 to 46C”.

- (2) Section 27 of the principal Act is amended by repealing paragraph (j), and substituting the following paragraph:
- “(j) a permanent exemption for new distributed generation from a new renewable energy source (section 46A).”
- (3) Section 27 of the principal Act is amended by adding the following paragraph:
- “(k) permanent exemptions for generation commissioned after 20 May 2003 and reserve energy (section 46C).”

9 New heading substituted

The principal Act is amended by repealing the heading above section 46A, and substituting the following heading: “*Exemptions for generation*”

10 Exemption for new generation from new renewable energy source

Section 46A of the principal Act is amended by omitting the word “distributed” wherever it appears.

11 Section 46B repealed

The principal Act is amended by repealing section 46B.

12 New heading and section 46C inserted

The principal Act is amended by inserting, after section 46B, the following heading and section:

“*Exemptions for generation commissioned after
20 May 2003 and for reserve energy*”

“46C Exemptions for generation commissioned after 20 May 2003 and for reserve energy

- “(1) The following activities do not cause any person to breach the ownership separation rules:
- “(a) generating electricity from generation commissioned on or after 20 May 2003, and selling the electricity generated, if the generating capacity of the generation is no more, at any one time, than the greater of 50 MW (determined according to nameplate or nameplates) or 20% of the maximum demand, in the immediately

preceding financial year, on the lines owned or operated by the person:

- “(b) generating reserve energy and selling the electricity generated in accordance with the terms and conditions for that reserve energy set by the Commission, as those terms are defined in the Electricity Act 1992.
- “(2) Subsection (1) applies only if and as long as sections 24 and 25 (corporate separation and arms length rules) are complied with.”

13 Section 56A repealed

The principal Act is amended by repealing section 56A.

14 Other Acts relating to price control not affected

Section 92 of the principal Act is amended by inserting, after the words “Part 4”, the words “and Part 4A”.

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Notes**1 General**

This is an eprint of the Electricity Industry Reform Amendment Act 2004. The eprint incorporates all the amendments to the Act as at 1 November 2010. The list of amendments at the end of these notes specifies all the amendments incorporated into this eprint since 3 September 2007.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the eprint are also included, after the principal enactment, in chronological order.

2 About this eprint

This eprint has not been officialised. For more information about eprints and officialisation, please see <http://www.pco.parliament.govt.nz/eprints/>.

**3 List of amendments incorporated in this eprint
(most recent first)**

Electricity Industry Act 2010 (2010 No 116): section 165
