

**Reprint
as at 1 November 2010**



Electricity Governance (Security of Supply) Regulations 2008

(SR 2008/252)

Electricity Governance (Security of Supply) Regulations 2008: revoked, on 1 November 2010, by section 166 of the Electricity Industry Act 2010 (2010 No 116).

Rt Hon Dame Sian Elias, Administrator of the Government

Order in Council

At Wellington this 11th day of August 2008

Present:

Her Excellency the Administrator of the Government in Council

Pursuant to subpart 2 of Part 14 of the Electricity Act 1992, Her Excellency the Administrator of the Government, acting on the advice

Note

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

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

These regulations are administered by the Ministry of Economic Development.

and with the consent of the Executive Council and on the recommendation of the Minister of Energy, makes the following regulations.

Contents

		Page
1	Title	3
2	Commencement	3
3	Purpose	3
4	Interpretation	3

Part 1

Planning for shortage of supply situations

Subpart 1—Commission’s security of supply outage plan		
5	Commission must prepare and publish security of supply outage plan	4
6	Contents of security of supply outage plan	5
7	Process for preparing security of supply outage plan	5
8	Amendments and substitutions of security of supply outage plans	6
Subpart 2—Participant outage plans		
8A	Commission must require specified participants to develop participant outage plans	7
8B	Specified participants must develop participant outage plans	7
8C	Contents of participant outage plans	7
8D	Approval of participant outage plans	8
8E	Revision of participant outage plans	8
8F	Approval of revised participant outage plans	9
8G	Publishing of participant outage plans	9
8H	Specified participants must keep participant outage plans up to date	9

Part 2

Outages in shortage of supply situation

9	Supply shortage declaration	10
10	Power to direct outages in security of supply situation	10
11	Specified participants must comply with direction	11
12	Offence to fail to comply with Commission direction <i>[Revoked]</i>	12
13	Revocation of supply shortage declaration	12

Part 3

Miscellaneous

14	Provision of information	12
15	Offence to fail to provide information	13
16	Application of Rulings Panel procedures	13

Regulations

1 Title

These regulations are the Electricity Governance (Security of Supply) Regulations 2008.

2 Commencement

These regulations come into force on the 28th day after the date of their notification in the *Gazette*.

3 Purpose

The purpose of these regulations is to provide for the management and co-ordination of outages for security of electricity supply purposes.

4 Interpretation

- (1) In these regulations, unless the context otherwise requires,—
- Act** means the Electricity Act 1992
- Commission** means the Electricity Commission continued under subpart 1 of Part 15 of the Act
- participant outage plan** means a plan developed by a specified participant under subpart 2 of Part 1
- publish**, in relation to a document, means—
- (a) to make the document available to the public, at no cost, on an Internet site maintained by or on behalf of the Commission, at all reasonable times; and
 - (b) to give notice in the *Gazette* of the document, of the fact that it is available on the Internet at no cost, and of the Internet site address
- rules** means the *Electricity Governance Rules* made by the Minister of Energy under section 172H of the Act by notice published in the *Gazette*, as may be amended from time to time

security of supply outage plan means a plan prepared by the Commission under subpart 1 of Part 1

specified participant—

- (a) means any of the following (within the meaning of section 2(1) of the Act):
- (i) an electricity distributor;
 - (ii) an electricity retailer;
 - (iii) a line owner; and
- (b) includes a person who uses electricity that is conveyed to the person directly from the grid

supply shortage declaration means a declaration made under regulation 9

wholesale market means the wholesale market for electricity.

- (2) Any term that is defined in the rules and used, but not defined, in these regulations has the same meaning as in the rules.
- (3) Any term that is defined in the Act and used in these regulations, but not defined in these regulations or the rules, has the same meaning as in the Act.

Regulation 4(1) **participant outage plan**: inserted, on 9 April 2009, by regulation 4(1) of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 4(1) **security of supply outage plan**: amended, on 9 April 2009, by regulation 4(2) of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Part 1

Planning for shortage of supply situations

Subpart 1—Commission's security of supply outage plan

Subpart 1 heading: inserted, on 9 April 2009, by regulation 5 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

5 **Commission must prepare and publish security of supply outage plan**

The Commission must prepare and publish a security of supply outage plan.

6 Contents of security of supply outage plan

A security of supply outage plan must—

- (a) describe events that the Commission predicts will be likely to give rise to the need to make a supply shortage declaration; and
- (b) set out thresholds that the Commission will apply in deciding whether to make a supply shortage declaration; and
- (c) specify how the Commission intends to determine what directions to give to address the shortage of electricity supply or transmission capacity that gives rise to the declaration; and
- (d) identify specified participants, or a class or classes of specified participants, who are required to develop participant outage plans under subpart 2; and
- (e) specify criteria, methodologies, and principles to be applied in implementing outages, or taking any other action, to be provided for in participant outage plans; and
- (f) specify criteria, methodologies, and principles to be applied by any specified participant who does not have an approved participant outage plan in implementing outages, or taking any other action, in accordance with directions given by the Commission under regulation 10.

Regulation 6(d): substituted, on 9 April 2009, by regulation 6 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 6(e): added, on 9 April 2009, by regulation 6 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 6(f): added, on 9 April 2009, by regulation 6 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

7 Process for preparing security of supply outage plan

(1) The Commission must not publish a security of supply outage plan unless the Commission has—

- (a) prepared and published a draft security of supply outage plan; and
- (b) consulted with persons that the Commission thinks are representative of the interests of persons likely to be substantially affected by the draft plan; and
- (c) considered submissions made on the draft plan.

- (2) Subclause (1) does not apply if the Commission considers that it is necessary or desirable in the public interest that the proposed security of supply outage plan be published urgently, and, in this case, the security of supply outage plan, and the notice in the *Gazette* that is part of the publishing of the plan, must state that the plan is published in reliance on this subclause and then, within 6 months of the plan being published, the Commission must—
- (a) comply with subclause (1); and
 - (b) decide whether or not the plan should be amended or revoked and a new plan substituted; and
 - (c) no later than 10 working days after making that decision, publish the decision; and
 - (d) if the Commission decides that the plan should be amended or revoked and a new plan substituted, comply with regulation 8 in relation to the proposed amendment or revocation and substitution.
- (3) To avoid doubt, a security of supply outage plan is not invalid only because the Commission did all or any of the things referred to in subclause (1) before this regulation came into force.

8 Amendments and substitutions of security of supply outage plans

- (1) The Commission may—
- (a) amend a security of supply outage plan; or
 - (b) revoke a security of supply outage plan and substitute a new plan.
- (2) These regulations (including regulation 7) apply to an amendment to a plan or a substitute plan—
- (a) as if the amendment or substitute plan were the original plan; and
 - (b) with other necessary modifications.

Subpart 2—Participant outage plans

Subpart 2: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8A Commission must require specified participants to develop participant outage plans

- (1) This regulation applies when a specified participant is identified under a security of supply outage plan as being required to develop a participant outage plan.
- (2) The Commission must send notice in writing to that specified participant of that requirement, including—
 - (a) specifying the requirements that the participant outage plan must comply with under these regulations and the security of supply outage plan; and
 - (b) specifying a date by which the specified participant must submit that plan to the Commission.
- (3) The Commission must send the notice under subclause (2) as soon as practicable after the Commission publishes its security of supply outage plan.

Regulation 8A: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8B Specified participants must develop participant outage plans

- (1) Each specified participant who receives a notice under regulation 8A must develop its participant outage plan in accordance with the notice.
- (2) The specified participant must submit the plan to the Commission by the date specified under regulation 8A(2)(b).

Regulation 8B: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8C Contents of participant outage plans

- (1) Each participant outage plan must—
 - (a) be consistent with the security of supply outage plan; and
 - (b) comply with the requirements specified in the notice sent under regulation 8A(2)(a); and
 - (c) specify the actions that the specified participant will take to achieve, or contribute to achieving, reductions in the consumption of electricity (including any target level of reduction of consumption of electricity in accordance with criteria, methodologies, and principles

specified in the security of supply outage plan) to comply with a direction from the Commission given under regulation 10.

- (2) This regulation does not limit regulation 8A(2)(a).

Regulation 8C: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8D Approval of participant outage plans

- (1) The Commission must, as soon as practicable after receiving a participant outage plan, by notice in writing to the specified participant who submitted the plan,—
- (a) approve it; or
 - (b) decline to approve it.

- (2) The Commission may decline to approve the plan only if the Commission is not satisfied that the plan complies with regulation 8C.

Regulation 8D: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8E Revision of participant outage plans

If the Commission declines to approve a participant outage plan,—

- (a) the Commission must—
 - (i) indicate the grounds on which it declines to approve the plan; and
 - (ii) direct the specified participant to submit a revised plan; and
- (b) the specified participant must submit a revised plan to the Commission no later than—
 - (i) 15 working days after the date on which the specified participant received the direction from the Commission to submit a revised plan; or
 - (ii) any later date that the Commission may allow in any particular case.

Regulation 8E: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8F Approval of revised participant outage plans

- (1) As soon as practicable after receiving a revised participant outage plan, the Commission must, by notice in writing to the specified participant who submitted the plan,—
 - (a) approve the plan; or
 - (b) decline to approve it.
- (2) If the Commission declines to approve the revised plan, regulation 8E applies.

Regulation 8F: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8G Publishing of participant outage plans

A specified participant must make its participant outage plan available to the public, at no cost, on an Internet site maintained by or on behalf of the specified participant, at all reasonable times, as soon as practicable after it is approved by the Commission.

Regulation 8G: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

8H Specified participants must keep participant outage plans up to date

- (1) Each specified participant who has had a participant outage plan approved under this subpart must—
 - (a) keep the plan under review, and (if necessary) amend the plan to take account of any change of circumstances and to ensure that the plan continues to comply with regulation 8C; and
 - (b) as soon as practicable after amending the plan, but in any case no later than 20 working days after amending it, submit the plan to the Commission.
- (2) Despite subclause (1), not later than 2 years after the date on which a specified participant's participant outage plan was last approved, the specified participant must resubmit the plan to the Commission for approval.
- (3) A plan submitted to the Commission under subclause (1)(b) is deemed to be approved by the Commission unless, no later than 20 working days after the day on which the Commission receives the plan, the Commission advises the specified par-

participant who submitted the plan, by notice in writing, that it declines to approve the plan.

- (4) Regulations 8D to 8G apply to a plan that is submitted or re-submitted or declined under this regulation, except as provided in subclause (3).

Regulation 8H: inserted, on 9 April 2009, by regulation 7 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Part 2

Outages in shortage of supply situation

9 Supply shortage declaration

- (1) The Commission may, after consultation with the system operator, make a supply shortage declaration.
- (2) The Commission may make a supply shortage declaration only if there is a shortage of electricity supply or transmission capacity such that the Commission considers—
- (a) that the normal operation of the wholesale market is, or will soon be, unlikely to facilitate the adjustment of supply and demand necessary to ensure that supply matches demand; and
 - (b) that, if planned outages are not implemented, unplanned outages are likely.
- (3) A declaration applies to—
- (a) all of New Zealand; or
 - (b) the regions specified in the declaration.
- (4) In making a declaration under subclause (1), the Commission must have regard to its security of supply outage plan.
- (5) The Commission must publish the declaration as soon as practicable after it is made.

10 Power to direct outages in security of supply situation

- (1) The Commission may, at any time in the period during which a supply shortage declaration is in force, direct specified participants to contribute to achieving reductions in the consumption of electricity by implementing outages or taking any other action specified in the direction.
- (2) A direction must—

- (a) be consistent with the Commission's security of supply outage plan; and
 - (b) be given only after consultation with the system operator; and
 - (c) if the direction requires a specified participant to implement outages, specify the savings targets that the specified participant must achieve.
- (2A) A direction may be communicated through the information system operated by the system operator.
- (3) The Commission must publish a direction as soon as practicable after it is given.
- (4) The Commission may—
- (a) amend a direction; or
 - (b) revoke a direction and, if the Commission considers it appropriate, substitute a new direction.
- (5) Subclauses (1) to (3) apply to an amendment to a direction or a substitute direction—
- (a) as if the amendment or substitute direction were the original direction; and
 - (b) with other necessary modifications.

Regulation 10(1): substituted, on 9 April 2009, by regulation 8 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 10(2): substituted, on 9 April 2009, by regulation 8 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 10(2A): inserted, on 9 April 2009, by regulation 8 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

11 Specified participants must comply with direction

- (1) Each specified participant must comply with a direction given to it by the Commission under regulation 10.
- (2) Each specified participant must, in complying with the direction, apply, to the extent practicable, the criteria, methodologies, and principles specified in the security of supply outage plan.
- (3) Each specified participant must comply with a direction in accordance with its participant outage plan, if it has a plan that has been approved under Part 1.
- (4) If a specified participant does not have a participant outage plan approved under Part 1, the specified participant,—

- (a) in complying with the direction, must apply, to the extent practicable, the criteria, methodologies, and principles specified in the security of supply outage plan; and
- (b) as soon as practicable after the direction is given, must provide to the Commission information as to the steps the participant will take to comply with the direction (including any steps the participant has already taken to comply with the direction).

Regulation 11(3): added, on 9 April 2009, by regulation 9 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Regulation 11(4): added, on 9 April 2009, by regulation 9 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

12 Offence to fail to comply with Commission direction

[Revoked]

Regulation 12: revoked, on 9 April 2009, by regulation 10 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

13 Revocation of supply shortage declaration

- (1) The Commission must revoke a supply shortage declaration when it is satisfied that the circumstances that gave rise to the declaration no longer apply.
- (2) The Commission must publish the revocation as soon as practicable after it is made.

Regulation 13(2): added, on 9 April 2009, by regulation 11 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Part 3 Miscellaneous

14 Provision of information

- (1) The Commission may, by notice in writing to a person who the Commission considers may have information relevant to any of the following, require the person to provide the information to the Commission:
 - (a) the preparation by the Commission of the security of supply outage plan under subpart 1 of Part 1; and
 - (b) the need for a supply shortage declaration; and

- (c) the need for a direction requiring outages under regulation 10; and
 - (d) the number and extent of outages necessary under a direction; and
 - (e) monitoring compliance with a direction given under regulation 10.
- (2) Subclause (1) applies only to information that is—
- (a) reasonably necessary for the Commission to undertake its functions under these regulations or to monitor compliance with a direction; and
 - (b) in that person’s possession or that the person can obtain without unreasonable difficulty or expense.
- (3) The Commission must specify in the notice given under subclause (1) the date by which the person must provide the information required.
- (4) A person who has received a notice under subclause (1) must provide the information required by the Commission by the date specified by the Commission in the notice.
- (5) The Commission may require specified participants to provide to the Commission contact information specified by the Commission that would enable the Commission to communicate with the specified participants.

Regulation 14: substituted, on 9 April 2009, by regulation 12 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

15 Offence to fail to provide information

Every person commits an offence who fails, without reasonable excuse, to comply with a requirement under regulation 14 and is liable on summary conviction to a fine not exceeding \$20,000.

16 Application of Rulings Panel procedures

- (1) Parts 4 to 6 and 8 of the Electricity Governance Regulations 2003 apply to any alleged breach of these regulations by a participant (other than an alleged breach to which regulation 15 applies).
- (2) Those provisions apply—

- (a) as if references in those provisions to an alleged breach of those regulations were references to an alleged breach of these regulations; and
 - (b) with all necessary modifications.
- (3) To avoid doubt, the exercise of any power or function under these regulations by the system operator, including any action taken under delegation from the Commission, is an action in the system operator's capacity as a service provider appointed under regulation 30 of the Electricity Governance Regulations 2003.

Regulation 16: added, on 9 April 2009, by regulation 13 of the Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40).

Rebecca Kitteridge,
Clerk of the Executive Council.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 14 August 2008.

Contents

- 1 General
 - 2 Status of reprints
 - 3 How reprints are prepared
 - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
 - 5 List of amendments incorporated in this reprint (most recent first)
-

Notes

1 *General*

This is a reprint of the Electricity Governance (Security of Supply) Regulations 2008. The reprint incorporates all the amendments to the regulations as at 1 November 2010, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

2 *Status of reprints*

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 *How reprints are prepared*

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked

are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

5 *List of amendments incorporated in this reprint
(most recent first)*

Electricity Industry Act 2010 (2010 No 116): section 166

Electricity Governance (Security of Supply) Amendment Regulations 2009 (SR 2009/40)
