

**Notice of Recommendation and Assessment
Concerning the Electricity Governance Rules
2003—Rule Amendment Proposal No. 210, 2009**

1. This notice of a recommendation and assessment concerning the Electricity Governance Rules 2003 (“Rules”), Rule Amendment Proposal No. 210, 2009, is issued by the Electricity Commission (“Commission”) pursuant to section 172E(2)(c) of the Electricity Act 1992 (“Act”).
2. The Act provides that, no later than 10 working days after making a recommendation to the Minister of Energy and Resources (“Minister”) concerning the Rules, the Commission must publicise the recommendation and the assessment completed under section 172F of the Act.

Recommended Amendments to the Rules

3. On 3 September 2009, the Commission recommended that Schedule C5 of Part C be amended.
4. The recommended amendments to the Rules were:
 - (a) failure to comply with the maximum allowable standard deviation obligations for frequency keeping is to be treated as a material breach of the Ancillary Service Procurement Contract (Paragraph 53A);
 - (b) clarification that the provision for constrained on and off amounts only applies to fixed price/quantity frequency keeping (not half-hourly) (Paragraph 105B);
 - (c) requiring interruptible load providers of instantaneous reserve to carry out an end-to-end test of the functionality of their equipment used to provide the service, at least once during the term of the new procurement plan, if they have not successfully responded to an under-frequency event during the term of the present procurement plan (Paragraphs 135A–135C and 136–138); and
 - (d) adding references to the different over-frequency limits in each island and correcting errors in the current wording to Paragraphs 151 and 164.
5. A copy of the Commission’s recommendation and assessment is available, at no cost, on the Commission’s website at

<http://www.electricitycommission.govt.nz/rulesandregs/recommend>

Dated at Wellington this 3rd day of September 2009.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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