

**Notice of Making of Electricity Governance
Amendment Rules (No. 64) 2008 and Notice of
Reasons for Decision**

1. Pursuant to section 172I of the Electricity Act 1992 (“Act”), I notify the amendment of the Electricity Governance Rules 2003 (“Rules”) under section 172H of the Act.
2. The empowering provisions for the electricity governance regulations in relation to which the amendments to the Rules are made are sections 172D(1)(1)(a), 172D(1)(1)(b), 172D(1)(1)(d), 172D(1)(16) and 172D(1)(18) of the Act.
3. On 1 May 2008, a new Part J (“Reconciliation Rules”) of the Rules came into effect. This has resulted in a substantial amendment to Part G and significant, but less substantial, amendments to Parts A, D, E and H. This was to ensure that the Rules reflect the recommendations for enhancing the reconciliation system, contained in the Electricity Commission Reconciliation Project Team (“ECRPT”) final report. The four key recommendations of the ECRPT report were the:
 - (a) elimination of incumbency and the introduction of global reconciliation;
 - (b) facilitation and treatment of embedded generation data processing;
 - (c) development of a compliance and audit regime; and
 - (d) grouping of grid exit points for reconciliation.
4. A brief description of the nature of the amendments now made is:
 - (a) to alter the scope of some of the Reconciliation Rules;
 - (b) to align the Reconciliation Rules with current practice or intended best practice to ensure the integrity of the overall reconciliation process;
 - (c) to clarify the scope of some of the existing Reconciliation Rules;
 - (d) to promote ease of understanding and interpretation of the Reconciliation Rules; and
 - (e) to resolve some minor drafting and wording issues, to rectify cross-referencing, formatting, or other minor matters and effect other amendments in order to achieve consistency within the Rules, and between the Rules and the Electricity Governance Regulations 2003 (“Regulations”).
5. Pursuant to section 172Z(4) of the Act, the reasons for my decision to amend the Rules are to:
 - (a) ensure that the Reconciliation Rules effectively promote the recommendations of the ECRPT final report referred to in paragraph 3 above;
 - (b) align the Reconciliation Rules with current practice or intended best practice, required to ensure the integrity of the overall reconciliation process. The Commission has become aware of the need for this during the Commission’s considerable internal planning and preparatory work, the Commission’s experience with industry participants and service providers in the testing and go live phases of the reconciliation project, and dealing with queries on the interpretation of the Reconciliation Rules;
 - (c) clarify some of the Reconciliation Rules;
 - (d) promote ease of understanding and interpretation; and
 - (e) resolve some minor drafting and wording issues.

6. These rules come into force on 1 November 2008.
7. Copies of the Rules may be inspected free of charge or purchased from the Electricity Commission, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington.
8. The Rules can also be viewed on the Electricity Commission’s website

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

Dated at Wellington this 29th day of September 2008.

DAVID PARKER, Minister of Energy.

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