

Schedule F3 Grid Reliability Standards

Making of Electricity Governance Rule

1. In accordance with rule 4.7 in section III of part F of the **rules**, and the provisions of the **Act**, the **Minister**, on the recommendation of the **Board**, makes these **grid reliability standards** a schedule to section III of part F of the **rules** with effect from 13 May 2005.

Preamble

2. Rule 4.1, in section III of part F of the **rules**, requires the **Board** to determine the most appropriate **grid reliability standards** and in so doing must have regard to the purposes in rule 4.2 and the principles set out in rule 4.3, as required by rule 4.1.

The grid reliability standards

3. The purpose of the **grid reliability standards** is to provide a basis for:
 - 3.1. the **Board** to **publish statements of opportunities**;
 - 3.2. **Transpower** to prepare **grid upgrade plans**; and
 - 3.3. other parties to appraise opportunities for transmission investments and **transmission alternatives**.
4. For the purpose of clause 3, the **grid** satisfies the **grid reliability standards** if:
 - 4.1. the power system is reasonably expected to achieve a level of reliability at or above the level that would be achieved if all **economic reliability investments** were to be implemented; and
 - 4.2. with all **assets** that are reasonably expected to be in service, the power system would remain in a **satisfactory state** during and following any **single credible contingency event** occurring on the **core grid**.
5. For the purpose of clause 4.1, the expected level of reliability of the power system must be assessed at each and every **grid exit point** and **grid injection point** (wherever located on the **grid**).
6. For the purpose of clause 4.1 and 4.2, the expected level of reliability, and state, of the power system must be assessed using the range of relevant operating conditions that could reasonably be expected, having regard to the possible future scenarios set out in the **statement of opportunities**.

Interpretation and definitions

7. For the purposes of these **grid reliability standards**, unless the context calls for another interpretation:
 - 7.1. terms defined in part A of the **rules** take that defined meaning;

- 7.2. terms defined in the **grid investment test** take that defined meaning;
 - 7.3. the term defined in clause 8 of these **grid reliability standards** takes that defined meaning;
 - 7.4. a reference:
 - 7.4.1. to the singular includes the plural and conversely; and
 - 7.4.2. to a person includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust, or Government Agency;
 - 7.5. the word including or includes means including, but not limited to, or includes, without limitation; and
 - 7.6. where a word or phrase is defined in the **grid investment test** or in clause 8 of these **grid reliability standards**, its other grammatical forms have a corresponding meaning.
8. **“Economic reliability investments”** means investments in the **grid** and **transmission alternatives** that would satisfy the **grid investment test**:
- 8.1. reading each reference to a **proposed investment** in the **grid investment test** as a reference to the **grid investment** or **transmission alternative** (as the case may be); and
 - 8.2. having regard to part C of these **rules** including the **policy statement** set out in schedule C4