Electricity Industry (Enforcement) Amendment Regulations 2012

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 23rd day of April 2012

Present:
His Excellency the Governor-General in Council

Pursuant to section 112 of the Electricity Industry Act 2010, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council and on the recommendation of the Minister of Energy and Resources given after consulting the Electricity Authority, makes the following regulations.

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Regulations

1 Title

These regulations are the Electricity Industry (Enforcement) Amendment Regulations 2012.

2 Commencement

These regulations come into force on 1 June 2012.

3 Principal regulations

These regulations amend the Electricity Industry (Enforcement) Regulations 2010 (the **principal regulations**).

4 Regulation 3 amended (Interpretation)

In regulation 3(1), insert in their appropriate alphabetical order:

"**financial transmission right** means a right created and allocated by the FTR manager under Part 13 of the Code

"**FTR manager** means a person appointed by the Authority under the Code to perform the role of FTR manager, which is a role, defined in the Code, that relates to financial transmission rights".

5 Regulation 65 amended (Clearing manager liable for financial loss)

In regulation 65(1), after "who suffers the loss", insert ", or to the holder of a financial transmission right who suffers the loss".

6 New regulation 70A and cross-heading inserted

After regulation 70, insert:

"*Liability of FTR manager*

"**70A Limit of liability of FTR manager**

The FTR manager is not liable for a sum in excess of—

"(a) $500,000 in respect of any one event or series of closely related events arising from the same cause or circumstance; or

"(b) $2 million in respect of all events occurring in any financial year."

7 Regulation 74 revoked (Obligation to maintain professional indemnity insurance)

Revoke regulation 74.

Rebecca Kitteridge,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 June 2012, amend the Electricity Industry (Enforcement) Regulations 2010 (the **principal regulations**). They make changes relating to the appointment by the Electricity Authority under the Electricity Industry Participation Code (the **Code**) of an FTR manager. The FTR manager is appointed to do various things in relation to a new form of rights—financial transmission rights—that are provided for in subpart 6 of Part 13 of the Code. The FTR manager, by virtue of the Electricity Industry (Participants and Roles) Regulations 2012, is a market operation service provider as defined in the Electricity Industry Act 2010.

The regulations—

- insert definitions of FTR manager and financial transmission right; and
- provide that the clearing manager is liable to the holder of a financial transmission right who suffers loss (as well as already being liable to a generator, purchaser, system operator, or ancillary service agent who suffers loss); and
- set limits on the liability of the FTR manager.

In addition, the regulations revoke regulation 74 of the principal regulations, which imposed an obligation on various parties to maintain professional indemnity insurance. This regulation is no longer required.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 26 April 2012.
These regulations are administered by the Ministry of Economic Development.

Wellington, New Zealand:
Published under the authority of the New Zealand Government—2012