

Electricity Industry Regulations Amendment (Stand-Alone Power Systems) Regulations 2021

SL 2021/185

Made by the Governor in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations are the *Electricity Industry Regulations Amendment (Stand-Alone Power Systems) Regulations 2021*.

2. Commencement

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette* (***gazettal day***);
- (b) Part 2 — on the day after the period of 6 months beginning on gazettal day;
- (c) the rest of the regulations — on the day after gazettal day.

Part 2 — *Electricity Industry (Licence Conditions) Regulations 2005* amended

3. Regulations amended

This Part amends the *Electricity Industry (Licence Conditions) Regulations 2005*.

4. Regulation 3 amended

- (1) In regulation 3 insert in alphabetical order:

retailer means a licensee holding —

- (a) a retail licence; or
- (b) an integrated regional licence that authorises the licensee to sell electricity to customers;

SPS means stand-alone power system.

- (2) In regulation 3 in the definition of *small renewable energy system* delete “exceeding 5 kW.” and insert:

exceeding 5 kW;

5. Regulation 10 inserted

After regulation 9 insert:

10. Condition requiring certain relevant corporations to have SPS engagement strategy

- (1) In this regulation, a reference to a distribution licence includes a reference to an integrated regional licence that authorises the operation of a distribution system.
- (2) It is a condition of every distribution licence held by a relevant corporation that the corporation must —
 - (a) have an SPS engagement strategy that complies with the requirements under subregulation (3); and
 - (b) comply with the strategy in relation to the provision of SPSs to eligible customers; and
 - (c) have the initial strategy endorsed by the Minister; and
 - (d) review the strategy at least every 2 years; and
 - (e) ensure that the current version of the strategy is publicly available on a website maintained by or on behalf of the corporation.

- (3) For the purposes of subregulation (2)(a), the requirements are that the strategy —
- (a) set out protocols for engagement with customers and potential customers; and
 - (b) set out protocols for engagement and coordination with retailers who sell, or propose to sell, electricity through SPSs; and
 - (c) set out the following information for customers and potential customers in relation to the provision of SPSs —
 - (i) the basic specifications of the SPSs available;
 - (ii) a description of the process of installing an SPS and of the services to be provided by it;
 - (iii) a description of a customer's obligations in relation to an installed SPS;
 - (iv) a description of a customer's consumer rights in relation to the provision of an SPS and the services provided by it;and
 - (d) set out indicative costs for upgrading an installed SPS; and
 - (e) set out the contact details of the following —
 - (i) the corporation's customer and fault services;
 - (ii) the electricity ombudsman (as defined in section 92(1) of the Act);
 - (iii) the corporation.
- (4) The Minister's endorsement of an initial strategy under subregulation (2)(c) is limited to whether the strategy sets out the information required by this regulation, that is, the Minister is not required to verify the information in the strategy.

Part 3 — *Electricity Industry (Obligation to Connect) Regulations 2005* amended

6. Regulations amended

This Part amends the *Electricity Industry (Obligation to Connect) Regulations 2005*.

7. Regulation 2 amended

- (1) In regulation 2 delete the definition of *distributor*.
- (2) In regulation 2 insert in alphabetical order:

distributor, in relation to a distribution system, means the licensee holding a distribution licence or an integrated regional licence authorising the licensee to operate the distribution system;

SPS means stand-alone power system.

- (3) In regulation 2 in the definition of *retailer* delete “customers.” and insert:

customers;

8. Regulation 3 amended

In regulation 3 after “regulation 7(1)” insert:

or Part 5

9. Regulation 4 replaced

Delete regulation 4 and insert:

4. Obligation to attach or connect premises

- (1) This regulation applies if premises are not attached to a distribution system (including a distribution system that is part of an SPS) and —
 - (a) a retailer seeks to make arrangements with the distributor for the premises to be attached or connected; or
 - (b) a customer applies to the distributor for the premises to be attached.
- (2) The distributor must, in the circumstances described in regulation 5(1), either —

- (a) attach or connect the premises to the system, as the case requires; or
- (b) provide an SPS for the supply of electricity to the premises.

Note for this subregulation:

The capacity of the Electricity Networks Corporation and the Regional Power Corporation to provide an SPS may be limited by the Code: see section 105(1)(cb) of the Act.

10. Regulation 5 amended

- (1) In regulation 5(1):

- (a) delete “to attach or connect” and insert:

in relation to

- (b) in paragraph (b) delete “subregulation (2) or (3)” and insert:

subregulation (2), (3) or (4A)

- (2) After regulation 5(1) insert:

(1A) Subregulation (2) applies if the distributor proposes to satisfy the obligation by attaching the premises to the distribution system.

(1B) Subregulation (3) applies if the distributor proposes to satisfy the obligation by connecting the premises to the distribution system.

(1C) Subregulation (4A) applies if the distributor proposes to satisfy the obligation by providing an SPS for the supply of electricity to the premises.

- (3) In regulation 5(2) delete “or an application is made, under regulation 4 for premises to be attached to a distribution system,” and insert:

or the application is made, under regulation 4 for the premises to be attached to the distribution system,

- (4) In regulation 5(3) delete “made, or an application is made, under regulation 4 for premises to be connected to a distribution system,” and insert:

made under regulation 4 for the premises to be connected to the distribution system,

- (5) In regulation 5(4)(b):
- (a) in subparagraph (i) delete “and is”;
 - (b) in subparagraph (ii) delete “pay” and insert:

be paid

- (6) Delete regulation 5(5) and insert:

- (4A) Before the end of the 5th complete business day after arrangements are sought to be made, or the application is made, under regulation 4, the distributor may impose any of the requirements described in regulation 5A.
- (5) If the distributor decides to satisfy the obligation under regulation 4 by attaching or connecting the premises to the distribution system, the obligation includes an obligation to extend the distribution system to a suitable connection point.

- (7) In regulation 5(6) delete “has to” and insert:

or SPS must

11. Regulation 5A inserted

After regulation 5 insert:

5A. Requirements for installation of SPS

- (1) The distributor may require that the agreement of the owner of any land on which a part of the SPS is to be installed be obtained to anything affecting the land that is necessary for the SPS to be installed and maintained.
- (2) The distributor may require that a contract be entered into accepting liability to pay to the distributor —
 - (a) the amount that it would cost the distributor to provide an SPS in a way that efficiently minimises costs in accordance with accepted good industry practice as it would be applied by a prudent distributor; or
 - (b) any greater amount that it is agreed to be paid.

Note for this subregulation:

A modified version of this subregulation applies in relation to an arrangement sought or an application made during

any 2-year notice period applicable in relation to the distribution system: see regulation 13.

- (3) The distributor may require that a contract be entered into with the distributor for the transport of the electricity to be supplied by the SPS.

12. Regulation 6 amended

- (1) In regulation 6(1) delete “is obliged under regulation 4 to attach or connect premises to a distribution system,” and insert:

decides to satisfy an obligation under regulation 4 by attaching or connecting the premises to the distribution system,

- (2) In regulation 6(2):

- (a) delete “under this subregulation” and insert:

for the purposes of subregulation (1)

- (b) in paragraph (a) delete “time when” and insert:

day on which

- (3) After regulation 6(2) insert:

- (2A) If the distributor decides to satisfy an obligation under regulation 4 by providing an SPS for the supply of electricity to the premises, it is required to do so before the time limit imposed by subregulation (2B).

- (2B) The time limit for the purposes of subregulation (2A) is —

- (a) the end of the period of 6 months beginning on the day on which the obligation arises; or
 - (b) any later time to which the customer agrees in writing.

- (4) In regulation 6(3) after “subregulation (2)” insert:

or (2B) (whichever is relevant)

13. Part 5 inserted

After regulation 8 insert:

Part 5 — Decommissioning distribution systems

9. Term used: commencement day

In this Part —

commencement day means the day on which the *Electricity Industry Regulations Amendment (Stand-Alone Power Systems) Regulations 2021* regulation 13 comes into operation.

10. Application of Part

- (1) This Part applies in relation to a distribution system of an electricity corporation and not in relation to any other distribution system.
- (2) This Part does not apply to or in relation to a customer who consumes more than 50 MWh of electricity per annum.
- (3) This Part does not apply in relation to —
 - (a) a distribution system that is part of an SPS; or
 - (b) a distribution system or a part of a distribution system that was decommissioned before commencement day.

11. Preserved obligation to connect

If a distribution system or a part of a distribution system is decommissioned, Part 3 applies, with all necessary modifications, in relation to the distribution system or part as if it had not been decommissioned, and so applies until the end of the period of 10 years beginning on the day on which the distribution system or part was decommissioned.

12. Notice of proposed decommissioning

- (1) A distributor that proposes to decommission a distribution system or a part of a distribution system must notify —
 - (a) the owner of each premises attached to the distribution system or part; and
 - (b) the owner of each premises in relation to which the requirement in regulation 5(1)(a) is satisfied in relation to the distribution system or part.
- (2) The distributor must comply with subregulation (1) before decommissioning the distribution system or part, but a failure to do so does not prevent the decommissioning of the distribution system or part.

- (3) If a distributor does not comply with subregulation (1) in relation to premises before the day on which the distribution system or part is decommissioned, the distributor is, for the purposes of this Part, taken to have notified the owner of the premises on the day on which the distribution system or part is decommissioned.
- (4) A distributor that has complied with subregulation (1) in relation to premises, need not comply with the obligation again in relation to the premises and the proposal.

Example for this subregulation:

There is a new owner of the premises after notification but before decommissioning occurs.

13. Price-capping for arrangement sought or application made during 2-year notice period

- (1) In this regulation —
2-year notice period, in relation to premises, means the 2-year period beginning on the day on which the owner of the premises is notified of the proposal to decommission the part of the distribution system.

Note for this definition:

A 2-year notice period may occur wholly before or wholly after decommissioning or partly before and partly after decommissioning, depending on when the owner of the premises is notified of the proposal to decommission.

- (2) Subregulation (3) applies in relation to an arrangement sought or an application made, as described in regulation 4(1), for premises to be connected or attached to a part of a distribution system if —
 - (a) the distributor has notified the owner of the premises that the distributor proposes to decommission that part of, or the whole of, the distribution system (whether notification is given before, on or after commencement day); and
 - (b) the arrangement was sought or application was made —
 - (i) on or after commencement day; and
 - (ii) during the 2-year notice period for the premises.
- (3) Regulation 5A (including as it may apply under regulation 11) applies in relation to the arrangement sought or application made as if regulation 5A(2) were as follows:

- (2) The distributor may require that a contract be entered into accepting liability to pay to the distributor —
- (a) the lesser of —
 - (i) the amount that it would cost the distributor to provide an SPS in a way that efficiently minimises costs in accordance with accepted good industry practice as it would be applied by a prudent distributor; and
 - (ii) the amount that it would cost the distributor to make the connection (to the distribution system) in the lowest cost way that is sustainable for making connections of that kind in accordance with accepted good industry practice as it would be applied by a prudent distributor;
 - or
 - (b) any greater amount that it is agreed to be paid.
- (4) However, if the distributor no longer proposes to decommission that part of the distribution system, subregulation (2) (of this regulation) does not apply in relation to an arrangement sought or application made after that.

B.D'SA, Clerk of the Executive Council.