



New Zealand Energy Certificate System Rules: Electricity

VERSION 3.1

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CHANGE CONTROL	
Current version	Version 3.1 Minor changes, including: <ul style="list-style-type: none"> • a definitions section; and • changes for clarity and readability.
Superseded version	Version 3.0 - Rebranded from Certified Energy to BraveTrace
Superseded version	Version 2.4 Three key changes to the NZECS Rules: <ul style="list-style-type: none"> • Rule Change 1: Allow for an exception to the requirement that ICP details must be recorded. • Rule Change 2: Allow a Participant to redeem NZ-ECs for another energy consumer's consumption. • Rule Change 3: Allow a Participant to redeem a quantity of NZ-ECs greater than an Energy User's level of consumption – small over redemption allowed for transactional efficiency, large over redemption would still not be permitted. Also, other minor Rule amendments.
Superseded version	Version 2.3
Date of publication	09 August 2024

SECTION A: Introduction

1. INTRODUCTION AND DEFINITIONS

- 1.1. This document (Rules) explains the key processes and standards that govern the New Zealand Energy Certificate System. In these rules, unless context requires otherwise:

Account Holder means a Registrant or Participant (as context requires).

Authority means the Electricity Authority of New Zealand.

Code means the Electricity Industry Participation Code 2010.

Direct Consumption has the meaning given in section 8 of these Rules.

Energy User means the consumer of the energy for which NZ-ECs are issued, transferred and redeemed.

Indirect Consumption has the meaning given in section 8 of these Rules.

Installation Control Point or **ICP** has the meaning given to that term under the Code.

MWh means megawatt hour.

New Zealand Energy Certificate System or **NZECS** means the system owned and operated by NZBCI and known as the New Zealand Energy Certificate System through which NZ-ECs certifying the characteristics and origin of electricity generation or gas production can be tracked (issued, transferred and redeemed).

NZBCI means the New Zealand Body for Certificate Issuance Limited (NZBN 9429046808417), the New Zealand issuing agent for the NZECS, trading as BraveTrace.

NZ-EC means a renewable energy certificate that has been issued to the Registrant by NZECS via the NZECS Registry in accordance with these Rules.

NZECS Registry means the electronic registry used by NZBCI to administer the NZECS and provide issuance, transfer and redemption for NZ-ECs.

Output means generation output from a Production Device.

Participant means a party that is registered with NZECS to purchase NZ-ECs, on behalf of an Energy User, on the NZECS Registry.

Production Auxiliaries means any generation assets that may be renewable or otherwise that are at the same site as the Production Device that should not be included in the Output.

Production Device means the generation assets from which renewable energy is generated.

Production Year means each 12-month period commencing on 1 April and expiring on the following 31 March.

Redeemed means, in respect of a NZ-EC, a request of redemption made in accordance with section 11 of these Rules having been accepted by NZECS, and such NZ-EC having been removed from circulation in the NZECS.

Redemption has the corresponding meaning.

Registrant means a party that is registered with NZECS to sell NZ-ECs to a Participant on the NZECS Registry.

Residual Supply Mix has the meaning given to that term in section 5 of these Rules.

Request for Issuance has the meaning given in section 9 of these Rules.

Robust Estimate has the meaning given in section 11 of these Rules.

Site means a point of electricity consumption where an Energy User wishes to certify their Direct Consumption or Indirect Consumption.

Standard-ICP Energy User has the meaning given in section 8 of these Rules.

Sub-ICP Energy User has the meaning given in section 8 of these Rules.

Third-party Energy Consumer has the meaning given in section 8 of these Rules.

Verified Record has the meaning given in section 11 of these Rules.

2. NEW ZEALAND ENERGY CERTIFICATE SYSTEM

- 2.1. The NZECS is administered by the **NZBCI**. By participating in the NZECS you acknowledge and accept these Rules.
- 2.2. The NZBCI is the New Zealand issuing agent for the NZECS, issuing **NZ-ECs**. One NZ-EC corresponds to the production of 1 MWh of electrical energy.
- 2.3. The only certificate product currently recognised under the NZECS is the NZ-EC; available for issuance from any eligible Production Device located within the geographical boundaries of the country of New Zealand.
- 2.4. The NZ-EC is intended to underpin a range of eligible renewable energy retail products, in order to verify the proper transfer of production attributes within the NZ energy market constraints.
- 2.5. The rules governing the creation and management of NZ-ECs are outlined in Section C.

- 2.6. The NZBCI, or any successor, assignee or agent of the NZECS makes no warranty that any NZ-EC is fit, or qualifies, for use in or under any:
- (a) domestic or international law, rule or regulation that requires a stated amount or minimum proportion or quantity of energy that is sold or used by specified persons to be produced from renewable energy sources;
 - (b) renewable energy, emissions reduction or product reporting rights program, scheme or organisation, or other similar program with respect to which exists a market;
 - (c) registry or reporting scheme for environmental attributes,

with the sole exception of the NZECS.

SECTION B: Operation of the system

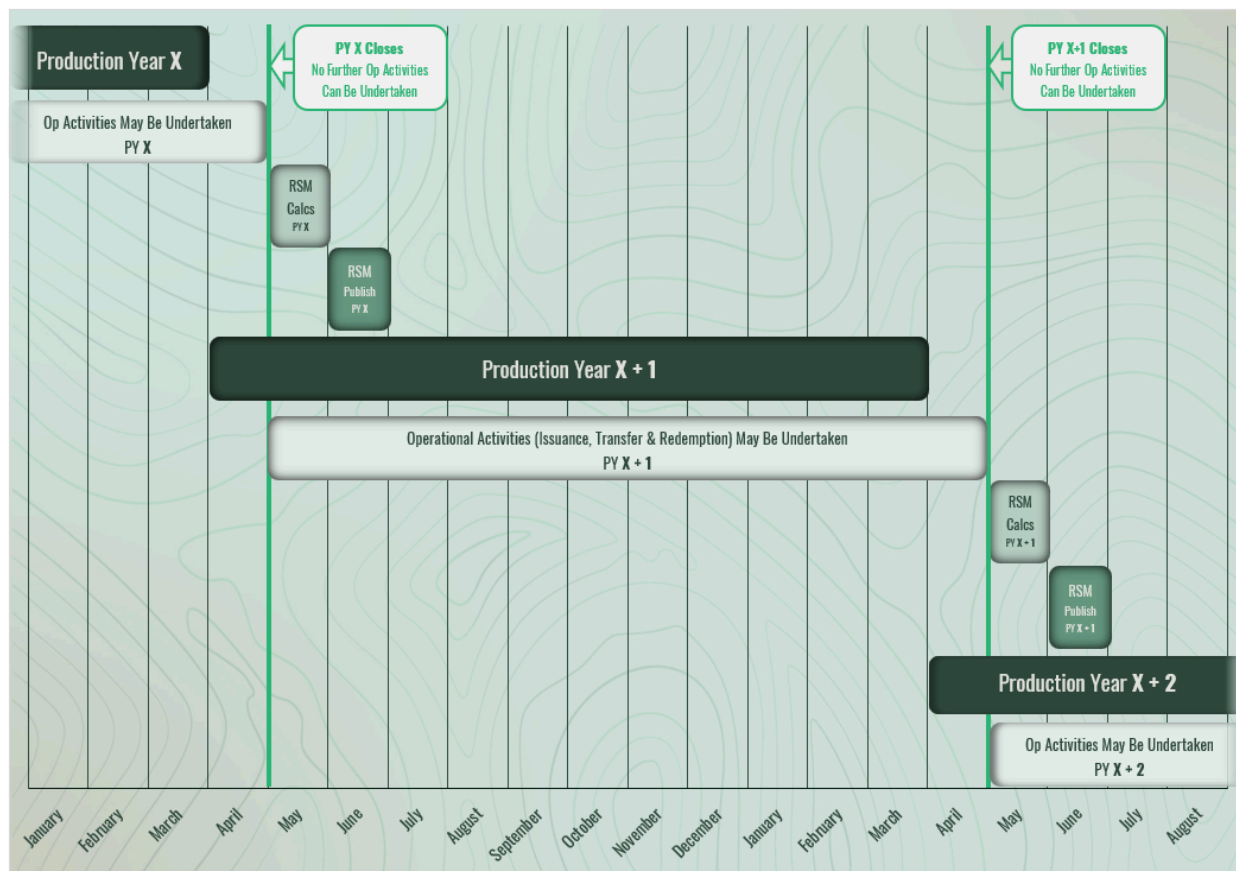
3. THE REGISTRY

- 3.1. The NZECS Registry is the online platform within which Account Holders initiate transactions and make changes to their trading accounts.

4. THE NZECS PRODUCTION YEAR

- 4.1. All NZECS activities and transactions relate to a specific Production Year and are time-bound to particular date ranges throughout that year.
- 4.2. No NZ-EC issued in relation to generation Output that occurred within a particular Production Year can exist in any other Production Year.
- 4.3. Within the Production Year a number of key dates govern the operation of the system (shown in Fig. 1 below). These are:
 - (a) 1 April in Production Year X: the first day of the NZECS Production Year – NZ-ECs related to this Production Year can be issued against Output occurring from this day forward.
 - (b) 31 March in Production Year X: the last day of the NZECS Production Year – the last day of Output for which NZ-ECs can be issued that relate to this Production Year.
 - (c) 30 April in Production Year X+1: the last day that Account Holders can perform transactions that relate to Production Year X.
 - (d) 31 May in Production Year X+1: the date by which the official supply mix of all registered Energy Users will have been calculated and communicated to the Participant that registered them.
 - (e) 30 June in Production Year X+1: the date by which all actions and processes relating to Production Year X will have been finalised, and the date by which the residual supply mix will have been calculated and published.

Figure 1. The NZECS Production Year.



5. RESIDUAL SUPPLY MIX

- 5.1. The NZECS will calculate the average mix of generation attributes which shall apply to all supplies in respect of which NZ-ECs have not been redeemed. The result of this calculation is the **Residual Supply Mix**. The methodology used to calculate the Residual Supply Mix is published on the NZECS website.
- 5.2. The Residual Supply Mix will be made public by the NZECS in reasonable course following its calculation, via publication on the NZECS website, and direct communication to current Registrants and Participants.

SECTION C: Rules governing the creation of Certificate products

6. REGISTERING A PRODUCTION DEVICE

- 6.1. A NZ-EC can only be issued in relation to the associated Output of a registered Production Device.
- 6.2. A Production Device may only be registered in the NZECS Registry by:
 - (a) the owner of the Production Device; or
 - (b) an agent duly authorised by the owner, who has provided adequate evidence:
 - i. of such authorisation; and
 - ii. that it can comply with the requirements of the Rules with respect to the imposition of duties on the owner and/or operator of the Production Device;
- 6.3. Applicants for registration of a Production Device must provide the following information to the NZECS at the time of application:
 - (a) the applicant's name and address and any additional contact details;
 - (b) the identifying number of the NZECS Registry account into which the NZ-EC in respect of the Output of such Production Device is to be Issued;
 - (c) the location of the Production Device, being its:
 - i. latitude and longitude; or
 - ii. region, city and postal code;
 - (d) details of the grid injection point(s) for the Production Device;
 - (e) details of any Production Auxiliaries associated with the Production Device;
 - (f) the type of Production Device, where this reflects the relevant fuel source(s) for and technology of that Production Device;
 - (g) the nameplate capacity of the Production Device;
 - (h) the date on which that Production Device was, or is expected to be, commissioned;

- (i) details of any payments (other than payments arising from the sale of NZ-ECs):
 - i. which have been received by any person in relation to the Production Device under any public support schemes; and
 - ii. that are due to accrue to any person in relation to the Production Device under any public support scheme;
 - (j) a single-line diagram of that Production Device, including details of the location of:
 - iii. the grid injection point(s) for the Production Device;
 - iv. any Production Auxiliaries for the Production Device;
 - (k) the name commonly used to identify the Production Device; and
 - (l) the expected annual Output of that Production Device.
- 6.4. Applicants for registration of a Production Device are obliged to provide the NZBCI (or an appointed agent) reasonable access to the Production Device in order to verify the information provided in connection with that application (including by way of audit), at a time as agreed between the applicant and NZBCI. In accessing any Production Device, NZBCI (or its appointed agents) will comply with any reasonable access, security and health and safety policies notified to it by the applicant. For clarity, nothing in these Rules requires NZBCI to access a Production Device and NZBCI may (at its sole discretion) elect not to access Production Device. If access to any Production Device is not provided to NZBCI, or if NZBCI is unable to, or otherwise elects not to, access a Production Device, such application for registration may be rejected.

7. MEASURING OUTPUT OF REGISTERED PRODUCTION DEVICES

- 7.1. In relation to the measurement of Output for the purposes of establishing a NZ-EC, the following criteria apply:
 - (a) the NZECS may independently source data on the Output of registered Production Devices from the Authority or any other reputable third-party provider for the purposes of operating the NZECS and NZECS Registry;

- (b) the NZECS may request the Registrant provide Output data (and in such case the Registrant agrees to provide Output data) in order to perform a process of comparison against exported generation data made available from the Authority in order to ensure accuracy; and
- (c) The Registrant of a Production Device is responsible for the delivery, quality and accuracy of measured values with respect to the Output of that Production Device where it is not accessible from the Authority by the NZECS; for the purposes of operating the NZECS and NZECS Registry.

8. REGISTERING A STANDARD-ICP ENERGY USER OR A SUB-ICP ENERGY USER

- 8.1. A Participant Account Holder may register an Energy User within the NZECS Registry if it can provide adequate evidence that:
 - (a) it has been authorised by the Energy User to do so; and
 - (b) if the Energy User has sites registered with other Participant Account Holders, there is no duplication of Sites.
- 8.2. An Energy User that wishes to redeem NZ-ECs against its account may do so to match:
 - (a) its own scope 2 electricity consumption (**Direct Consumption**); or
 - (b) its scope 3 electricity consumption (**Indirect Consumption**) by another electricity consumer (**Third-party Electricity Consumer**).
- 8.3. An Energy User's Direct Consumption is the electricity supplied to it, where the supply of that electricity is used within the operational control of that Energy User. Where a portion of the electricity supplied to the Energy User that is used in the operations of a separate entity located at the same Site, those volumes are excluded from the consumption of the Energy User.
- 8.4. An Energy User's Indirect Consumption is the electricity supplied to its Third-party Electricity Consumers, where the supply of that electricity is used in the use or operation of the Energy User's product or service.

- 8.5. Where an Energy User wishes to certify their Direct Consumption or Indirect Consumption at a Site that is supplied by an Installation Control Point that is controlled by:
- (a) the Energy User or the Third-party Electricity Consumer (as the case may be), they may be registered as a standard-ICP energy user (**Standard-ICP Energy User**), with registration subject to requirements in section 8.6.
 - (b) another party, neither the Energy User nor the Third-party Electricity Consumer (as the case may be), they may be registered as a sub-ICP energy user (**Sub-ICP Energy User**), with registration subject to requirements in section 8.7.
- 8.6. When registering a Standard-ICP Energy User, subject to section 8.8, the Participant Account Holder must provide the following information to the NZECS at the time of application:
- (a) the Standard- ICP Energy User's company name and address and any additional contact details;
 - (b) a contact for the Standard-ICP Energy User and contact details including, but not limited to, email and mobile phone details;
 - (c) details on the nature of the Standard-ICP Energy User, including but not limited to industry, number of ICPs, and expected annual electrical consumption;
 - (d) the trading name of the Standard-ICP Energy User, if relevant;
 - (e) for each ICP that is controlled by the Standard-ICP Energy User:
 - i) the network ICP from which the Standard-ICP Energy User receives supply;
 - ii) the location of the network ICP;
 - ii) whether the electricity consumption at the network ICP is Direct Consumption or Indirect Consumption.
- 8.7. When registering a Sub-ICP Energy User, subject to clause 8.8, the Participant Account Holder must provide the following information to the NZECS at the time of application:
- (a) the Sub-ICP Energy User's company name and address and any additional contact details;
 - (b) a contact for the Sub-ICP Energy User and contact details including, but not limited to, email and mobile phone details;

- (c) details on the nature of the Sub-ICP Energy User, including but not limited to industry, and expected annual electrical consumption;
- (d) the trading name of the Sub-ICP Energy User, if relevant;
- (e) for each ICP through which electricity is supplied to the Sub-ICP Energy User:
 - i) the network ICP from which the Sub-ICP Energy User receives supply;
 - ii) the location of the network ICP;
 - iii) whether the electricity consumption at the network ICP is Direct Consumption or Indirect Consumption.
 - iv) the name of the organisation that has control of the network ICP;
 - v) a high-level description of their operations;

8.8. A Participant Account Holder may make an application to the NZECS to register an Energy User without all the information described in section 8.6 for a Standard-ICP Energy User or in section 8.7 for a Sub-ICP Energy User. When making an application to register a Standard-ICP Energy User or Sub-ICP Energy User with incomplete information the Participant Account Holder must:

- (a) supply all the information that it is able to provide;
- (b) for the information that it is not able to provide, describe the process the Participant Account Holder followed to obtain the information, and an explanation of why this was unsuccessful;
- (c) provide any additional information it considers the NZECS might find useful when evaluating the application.

8.9. The NZECS will consider applications under section 8.8, with a view to accepting such applications where not doing so would introduce an unreasonable barrier to Energy User participation on the NZECS. If unsuccessful, a Participant Account Holder may reapply with additional or complete information.

9. ISSUING NEW ZEALAND ENERGY CERTIFICATES

9.1. A NZ-EC may only be issued for Output produced by a Production Device which has been registered in the NZECS Registry, as per section 6 above.

- 9.2. A NZ-EC may only be issued against Output occurring within the Production Year to which the NZ-EC relates, as per section 4 above.
- 9.3. Issuance of a NZ-EC can be initiated within the NZECS Registry by submitting a request for issuance (**Request for Issuance**), providing the following information to the NZECS at the time of request:
- (a) The identity of the relevant Production Device, where this shall include:
 - i. the identification number which has been assigned to the Production Device and optionally,
 - ii. the name of the Production Device as specified in the application for registration of that Production Device.
 - (b) The location of the relevant Production Device, being its:
 - i. latitude and longitude; or
 - ii. region, city and postal code;
 - (c) the identity of the requesting party;
 - (d) the energy source from which the Output was produced;
 - (e) the first day on which the Output to which it relates was produced;
 - and
 - (f) the last day on which the Output to which it relates was produced.
- 9.4. NZ-ECs issued in response to a Request for Issuance are to contain information as follows:
- (a) the identity of the relevant Production Device, where this shall include:
 - i. the identification number which has been assigned to the Production Device and optionally,
 - ii. the name of the Production Device as specified in the application for registration of that Production Device.
 - (b) the location of the relevant Production Device, being its:
 - i. latitude and longitude; or
 - ii. country, city and postal code;
 - (c) the nameplate capacity of the Production Device;
 - (d) the date on which the Production Device was commissioned; as verified by the NZECS during the registration process for that Production Device;
 - (e) the registration type of the Production Device;
 - (f) the identity of the requesting party;
 - (g) the energy source from which the Output was produced;

- (h) the volume of carbon dioxide equivalent emissions associated to the Output; including
 - i. the volume of carbon dioxide equivalent emissions; or
 - ii. the volume of biogenic carbon dioxide emissions;
- (i) the date of issue;
- (j) the first day on which the Output to which it relates was produced;
- (k) the last day on which the Output to which it relates was produced; and
- (l) a unique serial number as identifier of this issuance.

10. TRANSFERRING NEW ZEALAND ENERGY CERTIFICATES

- 10.1. NZ-ECs may only be validly transferred between Account Holders via the NZECS Registry.
- 10.2. NZ-ECs may only be transferred from a Registrant Account Holder to a Participant Account Holder, or from a Participant Account Holder to another Participant Account Holder.
- 10.3. A NZ-EC may be transferred without cost between Account Holders within the NZECS Registry.
- 10.4. Transfer of a NZ-EC can be initiated within the Registry by submitting a Request for Transfer, providing the following information to the NZECS at the time of request:
 - (a) the number and type of NZ-EC(s) to be transferred;
 - (b) the name and account number of the recipient account; and
 - (c) the name and account number of the account from which the NZ-EC(s) are to be transferred.

11. REDEEMING NEW ZEALAND ENERGY CERTIFICATES

- 11.1. Each NZ-EC can be Redeemed only once, and once Redeemed is removed from circulation.
- 11.2. A NZ-EC can only be Redeemed against the associated consumption of a registered Standard-ICP Energy User or a registered Sub-ICP Energy User.

- 11.3. Redemption of a NZ-EC can be initiated within the Registry by submitting a request for Redemption.
- 11.4. A request for Redemption of a NZ-EC must meet the criteria set out below:
- (a) the request for Redemption must state, amongst other things, the Standard-ICP Energy User / Sub-ICP Energy User to whom redemption is to apply;
 - (b) the Standard-ICP Energy User / Sub-ICP Energy User must be registered within the account of the Participant Account Holder;
 - (c) a request for redemption must be accompanied by a **Verifiable Record** or a **Robust Estimate** (defined below) of the consumed electricity of the Standard-ICP Energy User / Sub-ICP Energy User for the period for which Redemption is sought;
 - (d) a Verifiable Record is a record of the actual metered quantity of electricity consumption;
 - (e) a Robust Estimate is an accurate forecast of the consumed electricity, but may include a small margin to increase the likelihood that it is greater than the actual consumption;
 - (f) for Redemption of NZ-ECs against a Verifiable Record, the redemption of NZ-ECs may not exceed the consumed energy of the Standard-ICP Energy User / Sub-ICP Energy User for the period for which redemption is sought; as evidenced by the Verifiable Record provided; and
 - (g) for Redemption of NZ-ECs against a Robust Estimate, the Redemption of NZ-ECs may not exceed the consumed energy of the Standard-ICP Energy User / Sub-ICP Energy User for the period for which redemption is sought; as evidenced by the Robust Estimate provided.
- 11.5. If a request for Redemption of a NZ-EC is accepted by the NZECS, such NZ-EC shall be Redeemed.

12. CANCELLING NEW ZEALAND ENERGY CERTIFICATES

- 12.1. A NZ-EC may not continue to exist beyond the Production Year in which it was Issued.

- 12.2. All NZ-ECs that have been issued and remain unredeemed within the Registry beyond 30 April of the relevant Production Year X +1 will be cancelled for the purposes of returning these attributes to the residual supply mix.
- 12.3. This cancellation will take place without cost and without notice.