



NZECS System Rules: Electricity

**Decision Paper on proposed changes to
introduce a 24 month Transaction Period**

13 March 2026

Submissions closed 5pm (NZT) Friday 30 January 2026

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1. INTRODUCTION

1.1. Overview

On 19 December 2025 we released a Consultation Paper on proposed changes to the electricity NZECS Rules, version 3.2. The Consultation Paper also served as our formal notification under the System User Agreements of our intention to change the electricity NZECS Rules. Submissions on the Consultation Paper closed on Friday 30 January 2026.

The key changes that would be introduced by the NZECS Rules, version 3.2 are:

- a 24 month Transaction Period with rolling Quarter Period closing;
- a 12 month redemption Alignment Period; and
- a Reporting Period for each Energy User.

This Decision Paper summarises the feedback we received, provides our response to that feedback and consequential changes, our decision to proceed, and outlines implementation and transitional steps.

We thank those parties that provided feedback on the Consultation Paper.

2. SUMMARY OF FEEDBACK AND OUR RESPONSE

We have summarised the feedback grouped under the questions included within the Consultation Paper.

Q1: Do you have any comments or concerns regarding the Proposed NZECS Rule Change process and the timeline for consultation and implementation?

Feedback: *The proposed completion date for registry software development of 13 March 2026 is relatively tight and close to the proposed Rules coming into effect on 1 April 2026, particularly given the scope of the registry changes.*

Our Response: We agree that the timeframe is tight to complete the required software updates. However, we are confident that the software is on track to be completed within the required timeframe. A few things working in our favour are:

- Switchover of all users (Registrants and Participants) to Registry version 2.0 is on track to be completed soon.
- Registry version 2.0 enables the software updates to be completed more quickly.
- There are no significant design changes resulting from feedback on the Consultation Paper.
- In anticipation of deciding to proceed with the proposed NZECS Rules changes, we began the software specification and development process earlier in the New Year.
- After further consideration, we believe the new NZECS Rules, version 3.2 should go-live 1 May 2026 rather than 1 April 2026. This provides one extra month to implement the software changes. More detail on the change in go-live date is provided later in this Decision Paper.

Feedback: *Further clarity on how testing, user acceptance, and participant readiness will be managed within this timeframe would be helpful, including how any issues identified late in the development process would be addressed.*

Our Response: We agree that testing, user acceptance and Participant & Registrant readiness are key to the successful release of the software changes. We will provide more information on this soon and provide regular updates as the software development progresses. Updates on progress will be posted on our website [here](#).

Feedback: *It would be useful to understand how these changes align with the rollout of the v2 Registry, how time will be provided for participant testing and feedback, and whether any contingency approach is envisaged should implementation not be ready as*

planned (for example, is deferring commencement to the start of a subsequent Quarter Period an option?).

Our Response: Completing the rollout of Registry version 2.0 is a prerequisite to introducing the new NZECS Rules, version 3.2 software changes. We are on track to complete the rollout of Registry version 2.0 during March 2026.

As mentioned above, we will soon share more information on planning, testing, acceptance and readiness. Also the intended go-live is now 1 May 2026. If for any reason the software changes are delayed then there is the potential to fall back to a later quarter. However, our strong preference is that we meet the 1 May 2026 go-live date to enable a smoother transition from the current Production Year process to the new Transaction Period process.

Q2: Do you have any comments on the problem definition, including whether you agree or disagree with the problem definition and whether there are any additional problems related to the current Production Year process that we have not described?

Feedback: *The proposed extension of the Transaction Period and increased flexibility in transacting NZ-ECs appears well aligned with supporting generators such as solar, where production is seasonally (and diurnally) variable.*

Our Response: We are pleased to receive the feedback that the proposed changes will be beneficial to generators.

Feedback: *Clarification is sought regarding the practical application of the requirement for Participants to specify the month of electricity consumption at the time of redemption. In some cases, Energy Users may only be able or choose to provide an annual electricity consumption figure that they wish to have matched and reflected in a Redemption Receipt, rather than monthly consumption data.*

It would be helpful to understand:

- *how such situations would be treated under the proposed Rules;*
- *whether redemption based on annual consumption would continue to be permitted where monthly data is not available (note: in advance of any future requirement for mandatory granular time- or location-based matching) and*
- *how this scenario would be accommodated (if at all) within the Registry software, particularly given the relatively tight timeline for completing software development and the fact that these changes are proposed to be implemented alongside the rollout of the new v2 Registry.*

Our Response: The current Production Year process ties redemption to a specific Production Year. With the introduction of a Transaction Period and the removal of the Production Year concept we need a means to tie redemption to a specific consumption period. This is so we can provide Energy Supply Mix reporting over a Reporting Period specified by the Participant on behalf of the Energy User. Put more simply, the specification of the month of electricity consumption at the time of redemption will be mandatory and specification at an annual level will no longer be possible.

However, we do accept that not all Participants will have access to monthly consumption information for all their registered Energy Users. In such situations it would be acceptable for the Participant to redeem based on a forecast or a default monthly breakdown and we are investigating ways in which the Registry redemption screen might pre-populate monthly redemption based on a profile (flat or otherwise). We still encourage Participants to redeem on an accurate monthly profile if possible because this may be of benefit to the Energy User and it would increase the accuracy of the monthly Residual Supply Mix (RSM).

Q3: Do you have any comments on the description of the Proposed NZECS Rule Changes, including whether there are any elements that require further clarification?

Feedback: Seeking confirmation that these two descriptions refer to different concepts (Transaction Period framing versus Quarter Period opening and closing), rather than being alternative descriptions of the same rule.

Top of Page 10: Transaction Period framing (first statement)

“A point in time would relate to a Quarter Period and at that time the Transaction Period would:

- begin four Quarter Periods prior to the current Quarter Period; and*
- end three Quarter Periods after the end of the current Quarter Period.”*

Versus

Bottom of Page 10: Quarter opening and closing mechanics (second statement)

“The three months within a Quarter Period:

- open three Quarter Periods prior to the beginning of that Quarter Period; and*
- close four Quarter Periods after the end of that Quarter Period.”*

Our Response: These two concepts describe the Transaction Period process from two different perspectives. This is explained below using an example.

For this example, please assume the new Rules are in effect and the current date is 9 February 2027. On 9 February 2027, the current Quarter Period is Q1 2027 (1 January 2027 to 31 March 2027).

Focusing on the first statement

The Transaction Period that applies on 9 February 2027 is described in the first statement.

The Transaction Period on 9 February 2027:

- begins four Quarter Periods prior to the current Quarter Period, so the current Transaction Period begins 1 January 2026,
- ends three Quarter Periods after the end of the current Quarter Period, so the current Transaction Period ends 31 December 2027,
- is an eight quarter period from 1 January 2026 to 31 December 2027.

Focusing on the second statement

The second statement is consistent with the first statement, it describes the timing of when Quarter Periods will open and close. To illustrate this using our example, the next Quarter Periods to open and close after 9 February 2027 will occur at midnight on 31 March 2027.

At midnight on 31 March 2027 the NZECS Registry will automatically:

- open the Quarter Period Q1 2028 (1 January 2028 to 31 March 2028). The 31 March 2027 is three Quarter Periods prior to the beginning of Q1 2028.
- close the Quarter Period Q1 2026 (1 January 2026 to 31 March 2026). The 31 March 2027 is four Quarter Periods after the end Q1 2026.

In summary, the two statements are consistent with each other, but describe the Transaction Period Process from different perspectives. The first statement is probably the most useful to Registrants and Participants as it describes the Transaction Period that applies at any point in time. The second statement provides extra clarity to those people who want to better understand when Quarter Periods open and close, this will translate into the automated opening and closing of Quarter Periods within the NZECS Registry.

Feedback: *Section 4.4: Energy User Reporting Period*

Clarification is also requested on the role of the proposed Energy User Supply Mix Report relative to existing reporting outputs, namely the Statement of Position and Redemption Receipt.

From a practical perspective, is the proposed Energy User Supply Mix Report intended to replace the current Statement of Position and Redemption Receipt, or will these reports continue to be produced in parallel under the revised framework (with necessary amendments).

In particular, clarification on how these reports will be named and presented in practice (for example, whether reports will be formally titled as an Energy User Supply Mix Report or continue to be referred to as a Statement of Position or Redemption Receipt) would assist Participants in managing Energy User expectations and communications, as for most energy users their current reporting year would be well underway in April 2026.

Our Response: The current Rules, version 3.1, refers to the official supply mix for each Energy User being shared with their Participant. This is currently undertaken

by us by sharing either a Statement of Position or Redemption Receipt as requested by the Participant.

The new Rules, version 3.2, include the defined term Energy User Supply Mix Report. In practice, this is a reference to either a Statement of Position or a Redemption Receipt. In the Proposed Rules the names of these reports were not specifically mentioned as we may change the names of these reports in the future. However, given the feedback, we will amend the new Rules, version 3.2, to clarify that currently the Energy User Supply Mix report is either a Statement of Position or a Redemption Receipt.

Q4: Do you have any comments on our assessment of the Proposed NZECS Rule Changes, including any amendments to them and ultimately, whether you agree that the Proposed NZECS Rule Changes (or an amended version of them) should be introduced?

No respondents made comments or suggested changes to the assessment of the Proposed Rule changes.

Q5: Do you have any comments on the Proposed NZECS Rule Changes?

No respondents proposed changes to the drafting of the Proposed Rule changes.

Q6: Do you have any suggestions for other NZECS software changes that would help facilitate the introduction and transition to the Proposed NZECS Rule Changes?

No respondents suggested software changes to help facilitate the introduction and transition to the Proposed Rule changes.

General Feedback

All the respondents to the Consultation Paper supported the introduction of the Transaction Period and the introduction of the new NZECS Rules, version 3.2.

3. CHANGES IN RESPONSE TO THE FEEDBACK

In response to feedback and further consideration by us, we have made amendments to the NZECS Rules, Version 3.2 as follows:

- clarification within the Introduction and Definitions section of the Rules that the current examples of an Energy User Supply Mix Report are either a Statement of Position or a Redemption Receipt
- capitalised references to Year as it is a defined term
- referred to generation by a Production Device as Production rather than Output
- clarified that Interim Quarterly RSM information will be published for open Quarter Periods prior to the current date
- clarified that redemption must be against consumption located within New Zealand
- enabled an extra month to calculate and publish the RSM information after a Quarter Period closes. While we will endeavour to publish the RSM information as soon as possible it was realised that the timeframe proposed in the Consultation Paper was too short. This is because there may be delays in accessing and processing the data required to perform the calculations.

4. DECISION TO PROCEED

The proposed changes to the NZECS Rules were assessed against the [NZECS Principles](#) as detailed in the Consultation Paper. This assessment yielded a substantially positive result.

Given our positive assessment, the favourable feedback to the Consultation Paper and favourable feedback received via informal channels, we have decided to proceed with the Rule changes.

5. IMPLEMENTATION AND TRANSITION

The change from the current Production Year process to a Transaction Period process will involve significant changes to the NZECS Registry software and associated systems and processes, including the design of Energy User Supply Mix reports (Statement of Position and Redemption Receipt reports), online guidance and other documentation.

We will also carefully consider how Registrants and Participants can best transition from operation under the current Rules to the new Rules.

To provide easy access to this information we will soon establish a dedicated area on our website's [System Updates](#) page. This space will offer ongoing progress updates regarding the implementation of the new Rules, along with essential transition information.

Key resources to be included are:

- Finalised NZECS Rules, Version 3,2
- Further guidance on the Transaction Period Process, featuring enhanced diagrams.
- Updated NZECS Registry User Guides.
- A detailed plan for the testing and release of the updated Registry.
- A transition plan from the existing NZECS Rules, Version 3.1 to the new NZECS Rules, Version 3.2, including clarification of the alternative process to the close of the current Production Year.

We will notify Registrants and Participants as significant new information is made available.

One significant implementation change useful to mention at this time is that as described in section 2 above, the expected go-live of the new Rules has been

changed from 1 April 2026 to 1 May 2026. The reasons for extending the go-live date are:

- we would prefer, and we believe Participants would also prefer, that the current process of performing redemptions for the electricity consumption period 1 April 2025 to 31 March 2026 be largely completed by the 30 April 2026 so that finalised Energy User Supply Mix Reports (Statement of Position and Redemption Receipt reports) can be shared with Participants as per normal
- the beneficial changes under the new Transaction Period process largely materialise when the current Production Year would have otherwise closed at midnight on 30 April 2026, so no benefit is lost by extending the go-live date to 1 May 2026
- any Registrant or Participant that would like to perform NZECS transactions (issuance, transfer and redemption as applicable) dating back to 1 April 2025 can do so after 1 May 2026, however, this may require an adjustment to a previously shared Energy User Supply Mix Report
- a consequential benefit is an extra month is available to complete the implementation of the new Rules.