

15 February 2022 (anonymous) – Transpower's work to develop a new SRAM

Question:

What is Transpower doing to develop the new settlement residual allocation methodology (SRAM)?

Response:

The new transmission pricing methodology comes into effect 1 April 2023 and will render Transpower's existing method for allocating settlement residue obsolete. The Electricity Authority announced its decision to amend the Electricity Industry Participation Code 2010 (Code) to provide for development of a new Settlement Residual Allocation Methodology (SRAM) in 15 November 2022. [You can read the decision paper here.](#)

Transpower is now in the process of developing the new SRAM methodology. The first allocation of settlement residue under the new SRAM will take place at the end of May 2023, for payment on the 20th of June. Under the new SRAM, settlement residue related to interconnection assets (including HVDC assets) will be allocated to the customers identified, under the BBC simple method, as expected to benefit from those assets. There will be no change to the way settlement residue related to connection assets is allocated under the new SRAM.

We are still developing the credit note format but expect the new SRAM credit notes will follow a similar format to the existing LCE credit notes. Settlement residue rebates related to connection, interconnection & HVDC assets will continue to be separate line items, by connection location. We will be in touch with all customers when the format is finalised.