

Report on market operation service providers' compliance

October 2017

This report includes:¹

- the publication² of the sections of the reports that relate to breaches of the Electricity Industry Participation Code (Code) by the pricing manager, received by the market administrator in the previous calendar month
- the republication³ of the sections of the reports that relate to breaches of the Code by the clearing manager, received by the market administrator in the previous calendar month
- the republication⁴ of the sections of the initial report that relate to breaches of the Code by the reconciliation manager, received by the Authority in the current calendar month
- the republication of the sections of the report that relate to breaches of the Code by the FTR manager, received by the Authority during the previous calendar month
- the republication of the sections of the report that relate to breaches of the Code by the registry manager, received by the Authority during the current calendar month
- the republication of sections of the report that relate to breaches of the Code by the system operator and the system operator's discretionary action, received by the market administrator in the previous month.

¹ As of 5 October 2017, the market administrator does not have any requirements in the Code. Therefore, this report no longer includes self-reported breaches by the market administrator

² As required by clause 13.214 of the Code

³ As required by clause 14.69 of the Code

⁴ Clause 15.33 of the Code requires the Authority to publish the sections of the reports that relate to an alleged breach of the Code by the reconciliation manager by 1630 hours on the 2nd business day following the day on which the Authority receives the report. These reports are available at <http://www.ea.govt.nz/industry/market/statistics-reports/reconciliation-manager-monthly-breach-reports/>.

Self-reported breaches by the pricing manager (under clause 13.213 of the Code)

There were no self-reported breaches by the pricing manager.

Self-reported breaches by the clearing manager (under clause 14.68 of the Code)

There was one breach of the Code by the Clearing Manager with respect to Schedule 14A.1, Clause 11. On the 15, 18 and 19 September the calculation of FTR daily settlement prices did not take into account the latest price setting trades as required under the clearing manager's FTR Prudential Security Assessment Methodology. This was due to a FTR manager file being incorrectly processed by the clearing manager's system. Steps have now been put into place to prevent this type incident from recurring.

Self-reported breaches by the reconciliation manager (under clause 15.30(1) of the Code)

Note that this is a summary of the reconciliation manager monthly breach report which is published separately

There were no self-reported breaches by the reconciliation manager.

Self-reported breaches by the FTR manager (Not required by the Code)

There were no self-reported breaches by the FTR manager.

Self-reported breaches by the extended reserve manager (Not required by the Code)

There were no self-reported breaches by the extended reserve manager.

Self-reported breaches by the registry manager (Not required by the Code)

There were no self-reported breaches by the registry manager.

Self-reported breaches by the system operator (under clause 3.14)

There were two breaches of the Code reported:

- In July an outage at Matahina was modelled incorrectly causing an incorrect zero price to be generated for the Matahina Grid Exit Point. A participant claimed a pricing error and the input was changed to resolve the error, resulting in no market impact.
- In August a planned outage of Bunnythorpe transformers coincided with an unplanned outage of Mangahao generation, requiring market system constraints to be applied in real time. While adjusting the constraints to match system conditions a co-ordinator mistakenly made an incorrect adjustment, which caused an error in pricing. Transpower claimed the pricing error and resolved the issue, again preventing a market impact.

Discretionary action by the system operator (*under clause 13.102*)

Event Date & Time

Event Description

6/9/2017 7:57:51 PM

MKE1101 MKE1. Tripped off due to system event. Energy Co-ordinator called NOVA Trader to advise that the Dispatcher Discretion will run through to 20:30 and after that they will need to connect or use some other market mechanism if they are unable to comply.

6/9/2017 9:34:25 PM

MKE1101 MKE1. Lightning caused circuit to trip.

11/9/2017 9:56:38 AM

TUI1101 TUI0. Real-time contingency violation of Redclyffe-Tuai 1 or 2, Fernhill bus fault.

14/9/2017 11:58:37 AM

MAN2201 MAN0. Extended poutine restoration.

25/9/2017 8:39:16 AM

MAN2201 MAN0. Extended poutine restoration.

This report was published by the market administrator on 20 October 2017. For further inquiries please contact the market administrator at the Electricity Authority or send an email to marketoperations@ea.govt.nz.