

## **Notice of decision under regulation 29 of the Electricity Industry (Enforcement) Regulations 2010**

Under regulation 29 of the Electricity Industry (Enforcement) Regulations 2010 (Regulations) the Authority must publicise every decision made under regulation 23 of the Regulations, together with the reasons for the Authority's decision.

### **Decision to lay a formal complaint with the Rulings Panel**

On 4 December 2018, the Authority's Board considered two reports (one in respect of alleged breaches by the system operator and one in respect of alleged breaches by the grid owner) and the recommendations of an investigator prepared under regulation 19 of the Regulations.

Under regulation 23 of the Regulations, on 4 December 2018, the Authority decided to lay formal complaints with the Rulings Panel under regulation 30 of the Regulations, in respect of the following alleged breaches of the Code:

(a) by the system operator:

- i. clause 7.1A(1)
- ii. clause 7.2A(1)
- iii. clause 7.2A(2);
- iv. clause 7.2B;
- v. clause 8.5(1)(a);
- vi. clause 8.5(1)(b);
- vii. clause 8.5(2);
- viii. clause 3 of Technical Code B of Schedule 8.3;
- ix. clause 4(a) of Technical Code B of Schedule 8.3;
- x. clause 6(2)(a) and (e) of Technical Code B of Schedule 8.3; and
- xi. clause 3(1) of Technical Code C of Schedule 8.3;
- xii. clause 84 of the Policy Statement.

(b) by the grid owner:

- i. clause 12.113;
- ii. clause 8.25(1);
- iii. clause 8.28(1); and
- iv. clause 4(5)(b) of Technical Code A of Schedule 8.3.

### **Reasons for the Authority's decision**

The Authority considered that formal complaints should be laid with the Rulings Panel because:

- The alleged breaches are serious because they exposed connected generators to a high risk of asset damage. The Code provisions are key provisions that relate to system security, grid emergency management, and restoration.
- The parties did not enter into a settlement agreement within 30 working days, as required by regulation 23 of the Regulations, and the investigator prepared reports and recommended making formal complaints to the Rulings Panel.
- In the circumstances of such a major system event, it is important for the Rulings Panel to consider the application of the relevant Code provisions to confirm responsibility and, if necessary, make pecuniary penalty orders to achieve better outcomes in the future.