

Notice of the Authority's decision under regulation 29 of the Electricity Industry (Enforcement) Regulations 2010

Under regulation 29(1) of the Electricity Industry (Enforcement) Regulations 2010 (Regulations) the Electricity Authority (Authority) must publicise every decision made under regulation 23(3) of the Regulations, together with the reasons for the Authority's decision.

Investigation

On 3 June 2020 the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breach by Genesis Energy Limited (Genesis) of clause 13.82(2) of the Electricity Industry Participation Code 2010 (Code).

The investigation was conducted to discover the facts as there were discrepancies in the reported course of events. Further reason for investigation is because Genesis did not identify the non-compliance in real-time in addition to the number of previous breaches.

Genesis failed to comply with a dispatch instruction issued to its Huntly power station for generating Unit 6. Unit 6 exceeded its dispatched level by 38MW from 7.30pm to 7.45pm on 26 February 2020. The breach followed an external fault which affected its communications network.

Genesis' initially reported that the operator was looking at an offer viewer that indicated unit 6 was scheduled to stop generating at 10.30pm and that the offer must have changed after the communications fault. Records show that the previous dispatch instruction for Huntly unit 6 was for 22 February, when it was dispatched to 0 MW at 9.29 pm, not 10.30 pm.

Compliance queried the apparent discrepancy in Genesis' explanation about when the 0 MW offer for trading period 40 was submitted.

Genesis found the offer viewer screen used for monitoring the projected unit running profile had frozen prior to the network fault on 26 February, rather than during the fault which was the initial diagnosis. This error led to Genesis' belief that the offer had changed on 26 February during the fault.

Between the offer viewer freezing and the unexpected outage at 2.44pm on 26 February, Genesis made three offers to shut down at 7.30pm.

Analysis of the timeline shows that the offer viewer must have frozen before the network fault, when the offer was still to shut down at 10.00pm. The offer viewer likely froze on 25 Feb between 12.25am and 9.42pm, displaying the anticipated shut down time of 10.00pm according to the submitted offers. If the offer viewer froze at that time, it would have been out of action for at least 17 hours from 9.42pm on 25 Feb until the network outage at 2.44pm on 26 February.

Genesis advised that there are no system alarms to notify of issues. Genesis rely heavily on the reliability of their current system, which has been in service for many years. Ultimately, the unexpected network outage had little effect on the breach, which would have occurred regardless as the operator was relying on the frozen offer viewer.

No other party joined the investigation.

The Authority's decision

On 5 August 2020, the Authority considered a report from the investigator and agreed with a recommendation to discontinue the investigation under regulation 23(3)(a) of the Regulations.

Reasons for the Authority's decision

The reasons for the Authority's decision to discontinue the investigation were that:

- the breach did not affect offers into the system therefore there was no pricing impact resulting from this breach.
- the operational impact was that the system operator had to telephone Genesis to query why the unit was still generating. The additional generation would have kept the frequency artificially high with another generator having to reduce output to accommodate this.
- Genesis has undertaken a detailed post incident review. Actions completed post that review include:
 - updating existing procedures if the corporate network fails
 - confirming the offer viewer is operational and displaying the latest data
 - refresher training for operators on the protocols for transitioning between manual and auto-dispatch
 - associated improvement actions have been presented to all four Huntly operations shift teams.