

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 27 June 2019, the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breaches of clause 13.58A(1)(e)(i) and (2)(d)(i), and clause 13.69A of the Electricity Industry Participation Code 2010 by Transpower New Zealand Limited as the system operator (system operator) from 28 to 31 March 2019.

The breaches occurred after the system operator implemented a special protection scheme (SPS) automation project when the system operator used the incorrect default status of the SPS. The system operator did not check the default status used when implementing the project or carrying out post-implementation reviews of the project.

There was no security impact because Transpower, as the grid owner had the actual SPSs' settings correct. However, the incorrect status of the SPSs caused constraints to be automatically modelled when they should not have been, and constraints not generated when they should have been.

The system operator did not model any 100% binding constraints in real-time dispatch or in final pricing so there was no impact on dispatch or market impact to either final prices or constrained costs.

On 2 December 2020, the Authority received and considered a report and a recommendation from the investigator to discontinue the investigation under regulation 23(3)(a) of the Regulations.

The Authority's decision

On 2 December 2020, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation.

Reasons for the Authority's decision

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

- the breaches caused no security or market impact and the system operator has taken steps to prevent recurrence.