

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 15 October 2020, the Authority appointed an investigator under regulation 12 of the Regulations to investigate the:

- self-reported breach of clause 13.225(1)(b) of the Electricity Industry Participation Code 2010 from 17 December 2019 to 16 June 2020 by Genesis Energy Limited (Genesis)
- the alleged breach of clause 13.2(1) alleged by the Authority in relation to the same circumstances.

Genesis' internal review of its hedge records and disclosure systems and processes revealed that certain ASX NZ electricity futures trades had been inadvertently disclosed twice (and in some cases, three times) by its hedge disclosure software tool to the hedge disclosure system.

The duplicated trade disclosures related to December 2019, January 2020, March 2020, April 2020 and mid-June 2020.

On 3 July 2020, Genesis advised WITS support and requested that 17,800 duplicated trades be removed from the hedge disclosure system. On 3 July 2020, WITS support confirmed the duplicated disclosures had been removed.

On 3 March 2021, 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 3 March 2021, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation.

Reason for the Authority's decision

The reason for the Authority's decision to discontinue the investigation was that:

- Genesis has implemented checks and controls to prevent recurrence
- no participants that may have been affected joined the investigation indicating that there was little interest in the matter and that it had no market impact.