

## **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 October 2019, the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breach of clause 4(4)(a)(ii) of Technical Code A of Schedule 8.3 of the Electricity Industry Participation Code 2010 by Transpower New Zealand Limited as the grid owner. The alleged breach was self-reported by the grid owner.

The alleged breach concerned the operation of the grid owner's protection system at its Wairakei substation that caused a total loss of supply to Taupo on 19 November 2018.

Unison Energy Limited, Transpower as the system operator, Mercury NZ Limited, and Meridian Energy Limited joined the investigation as affected parties.

The grid owner carried out a thorough investigation into the incident and found that the core issue was the inadequate earthing system between the 33 kV switch room and the 220 kV switchyard at Wairakei.

The investigator obtained expert advice on a review of the grid owner's investigation report into the incident. That advice concluded there was no failure of design, commissioning, maintenance, or incorrect settings in respect of the protection system. Accordingly, the investigator considered there was no breach of the Code concerning the unexpected operation of the protection system causing a loss of supply.

The inadequate earthing system raised the question of whether the "good electricity industry practice" requirement in the Connection Code under Part 12 of the Code had been met. The Connection Code is incorporated by reference into the Code and is included within the Benchmark Agreement that is also incorporated by reference in the Code. A breach of the terms of the Benchmark Agreement is not a breach that can be enforced by the Authority or the Rulings Panel as any breach is to be enforced using standard commercial dispute resolution processes. A potential breach of "good electricity industry practice" in the circumstances was therefore outside the scope of this investigation.

The parties to the investigation were provided with a copy of the grid owner's investigation report and a copy of the expert advice and advised they had no settlement requirements.

On 6 December 2021, the Authority received and considered a report and a recommendation from the investigator to discontinue the investigation.

## **The Authority's decision**

On 6 December 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:

- The investigation found that the grid owner did not breach clause 4(4)(a)(ii) of Technical Code A of Schedule 8.3.

In making its decision the Authority noted the investigator would advise Energy Safety (part of Worksafe New Zealand) of this investigation.