

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

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

Transpower New Zealand Limited as the grid owner is alleged to have breached clause 4(4)(a), Technical Code A, Schedule 8.3 of the Electricity Industry Participation Code 2010 (the alleged breach). The grid owner is alleged to have failed to provide protection systems for its assets that formed part of the grid. On 1 December 2020 the SEL421 relay associated with the Otira circuit breaker CB92 failed due to temporary RAM failure. The SEL421 relay fail alarm was incorrectly wired and did not operate when the relay failed. On 12 December 2020 the Kumara to Otira circuit tripped. The failure of the SEL421 relay meant that Otira CB92 failed to open, causing a loss of supply to consumers.

Decision to lay a formal complaint with the Rulings Panel

On 1 February 2022, the Authority:

- considered a report prepared under regulation 19 of the Regulations by an investigator in respect of the alleged breach; and
- considered the investigator's recommendation to lay a formal complaint with the Rulings Panel in respect of the alleged breach; and
- decided under regulation 23(3)(b) of the Regulations to lay a formal complaint with the Rulings Panel in respect of the alleged breach.

Reasons for the Authority's decision

The Authority decided to lay a formal complaint with the Rulings Panel because:

- the alleged breach has had a significant impact on consumers (approximately \$1.8 million); and
- the grid owner has a pattern of alleged non-compliance with cl 4(4); and
- the alleged breach could have been prevented by the grid owner performing fundamental functions involved in grid management, that are essential to protection systems; and
- the alleged breach highlights a failure in the grid owner's oversight of these functions.

Given these factors, the Authority considers the alleged breach would benefit from a decision from the Rulings Panel.