

Notice of the Electricity Authority's decision on breaches of the Electricity Industry Participation Code 2010 by the Authority

The Electricity Authority (Authority) publicises its reasons for declining to take further action on a breach of the Electricity Industry Participation Code 2010 (Code) by the Authority. Publicising the decision is beyond the requirements in the Electricity Industry (Enforcement) Regulations 2010 (Regulations) and is to ensure that decisions made about breaches of the Code by the Authority are transparent.

Breach of clause 8(3)(a) of Schedule 13.4 of the Code

On 2 November 2021, the Electricity Authority self-reported a breach of clause 8(3)(a) of Schedule 13.4 of the Code when it failed to advise the clearing manager and the grid owner in writing of its decision to approve the application of Alinta ENZ Limited's kiln co-generation plant to be classed as a Type B industrial co-generation station. The Authority did advise the decision in writing to the applicant and the system operator.

The cause of the breach was a failure of staff to follow Authority procedures. The Authority has not updated its process documents, as the process was already clear that individual letters to the applicant, system operator, clearing manager and the grid owner are required for decisions on approvals. However the Authority noted the process document was inconsistent in its guidance on who to formally notify once a decision was made. The Authority has asked staff to review process documents relating to obligations that arise infrequently to ensure such oversights do not reoccur.

The Authority's decision

On 13 October 2022, the Authority decided under regulation 11(1)(c) of the Regulations to decline to take further action on the breach of clause 8(3)(a) of Schedule 13.4 of the Code.

Reasons for the decision

The Authority noted that it had accepted the breach and that the clearing manager advised there was no impact and the grid owner advised it became aware of the decision from the Authority's Market Brief.

The Authority has not previously breached this Code provision and applications to reclassify generation plant to a Type B industrial co-generation station are infrequent.

The Authority is not a participant under the Act, except to the extent that it performs functions as an industry service provider, which it was not doing in this case. However, in accordance with the Authority's Enforcement Policy, a fact-finding enquiry was undertaken, as if the breach was committed by any other participant.

Audit review

If an interested participant is concerned about the process followed by the Authority leading to the Authority's decision, the participant may request that the Authority's process is audited by an independent person.

Contact details

Please contact compliance@ea.govt.nz if you have any questions.