

Notification 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) together with the reasons for the Authority's decision.

Investigation

On 9 February 2012, the Electricity Authority (Authority) appointed an investigator in accordance with regulation 12 of the Regulations to investigate the self-reported breach of clause 13.82 of the Electricity Industry Participation Code 2010 (Code) by Genesis Power Limited (Genesis).

Genesis reported that it breached clause 13.82 by failing to comply with dispatch instructions issued for Tekapo A and B power stations for trading periods 1 and 2 on 15 November 2011. In this case Genesis generated at 60MW for 40 minutes while being dispatched to 0MW.

Meridian Energy Limited and Transpower New Zealand Limited in its role as system operator joined the investigation as interested participants.

On 14 June 2012, the Authority received and considered a report and a recommendation from the investigator to discontinue the investigation.

The Authority's decision

On 14 June 2012, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation and to issue a warning to Genesis.

Reasons for the Authority's decision

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

- (a) There was a limited market and operational impact and no security impact as a result of the breach. However, had the system conditions been different, there may have been a potentially serious market and security impact.
- (b) Genesis has taken steps to resolve the underlying problems and prevent reoccurrence of similar breaches.
- (c) The parties to this investigation were satisfied by the mitigation steps taken by Genesis and had no settlement requirements regarding this self-reported breach.