

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 3 September 2010, the Electricity Commission (Commission) had appointed an investigator to investigate the breach of rule 6.1 of Technical Code B of Schedule C3 of Part C of the Electricity Governance Rules 2003 (Rules) from 1 March 2004 by Transpower New Zealand Limited as the grid owner (grid owner). The breach was alleged by the Commission, regarding the non-provision of automatic under-frequency load shedding (AUFLS) system at the Tiwai Point GXP.

Transpower New Zealand Limited as the system operator, Meridian Energy Limited, Rio Tinto Alcan Limited (RTA) and New Zealand Aluminium Smelter Limited (NZAS) joined the investigation. The investigator attempted to reach a settlement but a settlement could not be achieved based on consensus. As not all the parties were in favour of attempting further settlement, the investigator therefore abandoned further attempts to reach a settlement.

On 30 January 2013, the Authority received and considered a final report and a recommendation from the investigator to discontinue the investigation.

The Authority's decision

On 30 January 2013, the Authority decided under regulation 23(3)(a) to discontinue the investigation as compliance is achieved.

Reasons for the Authority's decision

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

- (a) On 7 January 2013, the grid owner advised the Authority that AUFLS functionality at Transpower's Tiwai Substation had been activated shortly after midnight on 1 January 2013.
- (b) As RTA was unable to provide the 2 x 16% blocks of load as required by the Code, the scheme has been designed to shed 185 MW of load at all times within 0.4 seconds of the frequency falling to 46 HZ. An equivalence arrangement requested by the grid owner was approved by the system operator for this variation to the Code requirements for the provision of AUFLS in the South Island.