

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) of the Regulations, together with the reasons for the Authority's decision.

Investigation

On 21 August 2014, the Authority appointed an investigator to investigate alleged breaches of clause 13.9(b) and clause 13.17(3) of the Electricity Industry Participation Code 2010 (Code), by Trustpower Limited (Trustpower). The alleged breach was reported by Transpower New Zealand Limited as the system operator.

Transpower alleged that TrustPower did not update its offers for its Tararua wind farm (TWC) when it is turned off for commercial reasons when prices are very low. TrustPower denied the alleged breaches and continued the behaviour, which was alleged to breach the Code.

The alleged breaches caused security concerns for the system operator with the sudden loss of 80 MW of generation.

Meridian Energy Limited, Contact Energy Limited and Genesis Energy Limited joined the investigation as affected parties. During the settlement process, the parties agreed that the Code was ambiguous and the issue could be resolved by amending the Code, as long as the system operator's security concerns were managed until the Code amendment was in force.

On 8 April 2015, the Authority considered the investigator's report on the investigation, which recommended the investigation should be discontinued. The report also recommended the Code should be amended on a further issue to clarify obligations for intermittent generators to provide reactive power when turned off but still connected.

The Authority's decision

On 8 April 2015, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation. The Authority will also assess the Code obligations for intermittent generators to provide reactive power when turned off but still connected.

Reason for the Authority's decision

The reason for the Authority's decision to discontinue the investigation was the Code obligations for an intermittent generator to revise its persistence offers are ambiguous. In making its decision the Authority noted a Code amendment clarifying obligations of intermittent generators regarding their offer quality is expected to be in force later this year.