

## **Notice 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 13 February 2019, the Authority appointed an investigator under regulation 12 of the Regulations to investigate alleged breaches of clause 15.2(1) and 15.2(2) of the Electricity Industry Participation Code 2010, by NextGen Energy Limited (NextGen).

NextGen breached clause 15.2(1) by failing to take all practicable steps to ensure its submission information for October 2018 was complete and accurate. NextGen breached clause 15.2(2) when it became aware that information that it provided was not complete and accurate and it failed to provide further information as soon as practicable to ensure it complied with clause 15.2(1).

The investigator was of the view that NextGen did not have staff fully trained on operating its electricity trading system nor have an arrangement for support for its electricity trading system. This meant that NextGen's staff were unable to estimate consumption for ICPs that had missing data or provide revised submission information.

NextGen subsequently outsourced its reconciliation activities to an experienced reconciliation participation agent (agent). In May 2019, NextGen's agent submitted revised historic submission information to the reconciliation manager and this has resolved the temporary market impact of the breaches.

In July 2019, NextGen exited the market as a trader by assigning all its ICPs to another trader with effect from 1 July 2019. At this stage parties to the investigation agreed there was no benefit in pursuing a settlement agreement.

On 3 October 2019, the Authority received and considered the investigator's report which recommended discontinuing the investigation.

### **The Authority's decision**

On 3 October 2019, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation.

### **Reasons for the Authority's decision**

The Authority decided to discontinue the investigation because:

- NextGen's agent has since submitted revised historic submission information to the reconciliation manager and this has resolved the temporary market impact of the breaches

- in July 2019, NextGen exited the market as a trader by assigning all its ICPs to another trader with effect from 1 July 2019.