

## **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 27 June 2019, the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breach by Genesis Energy Limited (Genesis) of clause 13.2A of the Electricity Industry Participation Code 2010 (Code). The breach was alleged by Haast Energy Trading Limited (Haast)

The investigation concerned whether Genesis was required to disclose gas outage forecast information provided by its gas supplier and its potential effect on its contractual position.

Haast believed that Genesis was required to notify participants that its thermal generating units would be affected. This was because its gas supplier had notified Genesis of a significant gas field outage at Pohokura during the first half of 2019, and the resulting interruptions to Genesis' gas supply contracts from Pohokura.

Genesis denied the alleged breach and claimed that the forecast information did not amount to a material change in contracting position and therefore is not required to be disclosed under the Code.

Haast as the reporting participant, Transpower New Zealand Limited as system operator and Meridian Energy Limited as affected participants, were parties to the investigation.

The parties could not agree a settlement on the matter under investigation.

On 5 December 2019, the Authority received and considered a report and a recommendation from the investigator to discontinue the investigation.

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

On 5 December 2019, the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation.

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

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

- The Authority considered that in this case forecast information about a major gas field outage amounts to disclosure information
- The Authority considered that it is not clear whether one of the exclusions under 13.2A(2) applies

- The Authority concluded that the wholesale market information disclosure Code provisions, including the exceptions, need to be reviewed. The investigator had communicated the findings from the investigation to the Authority's Market Design team to be considered for their Code improvement work in this area.