

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 23 May 2025, the Authority alleged that Genesis Energy Limited (Genesis) had breached clause 13.82(2) of the Electricity Industry Participation Code 2010 (Code) by failing to comply with flagged intermittent generation (IG flag) dispatch instructions at the Waipipi Wind Farm (Waipipi) between 2.45am and 3.04am on 23 February 2025.

On 4 December 2025, the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breach.

Transpower New Zealand Limited as the System Operator joined the investigation as an affected participant.

On 21 September 2026 the Authority received and considered an investigator's report prepared in accordance with regulation 19 and a recommendation from the investigator to discontinue the investigation.

The alleged breach related to the operation of Waipipi. On 23 February 2025 between 2.40am and 3.01am the System Operator was managing a sustained period of high frequency in the North Island. The System Operator attributed the increased generation from Waipipi as one of the reasons for the high frequency because Waipipi failed to reduce its generation in accordance with the flagged dispatch instructions. The System Operator contacted Genesis advising that an IG flag was in place at Waipipi and that it needed to return to dispatch. Waipipi generation failed to return to its dispatched level.

Waipipi is owned by Waverley Wind Farm Limited (Waverley). Waverley is ultimately owned by Mercury NZ Limited (Mercury). Genesis has a power purchase agreement with Waverley to purchase all output as well as a separate service agreement with Waverley for offer and dispatch management services. Waverley assumes all operating responsibility for electricity generation. Mercury staff manages Waipipi.

Part 1 of the Code provides a generator is a person who owns generating units connected to a network. It also includes a person acting in respect of Parts 13, 14 and 15 on behalf of the owner of those generating units. Waverley and Genesis could be considered to be the generator at Waipipi.

The Authority's decision

On 21 September 2026 the Authority decided under regulation 23(3)(a) of the Regulations to discontinue the investigation.

Reasons for the Authority's decision

The Authority accepted the reasons in the investigator's recommendation to discontinue the investigation being:

- A settlement was unable to be reached between the parties but Genesis' support in implementing the steps proposed by Mercury on behalf of Waverley did show a willingness to address the issue.
- There is uncertainty about whether Genesis was in breach of its Code obligations because the exception in clause 13.82(2)(e) applied with the wind farm controller responding to frequency in compliance with an equivalence arrangement with the System Operator.
- There was negligible market and security impact, if any, arising from the event.
- The event was unlikely to recur.