

Memo

To: Sarah Gillies
From: Calum Steele
Date: 26 January 2024
Subject: Exercising delegation to finalise decision for 24 January 2023 under-frequency event

GM Name: Airihi Mahuika

Signature:  **Date:** 26 January 2024

Purpose

This memo seeks approval to finalise and publish a determination on the causer for the 24 January 2023 under-frequency event (UFE).

Recommendations

It is recommended that you exercise your delegation to publish the determination that:

- Genesis Energy Limited (Genesis), as a generator, was the causer of the 24 January 2023 UFE.

Next steps

The Authority website will be updated to reflect the final determination of Genesis as the causer. A notice will be published in the next available Market Brief announcing the decision.

Background

On 29 August 2023 you exercised your delegation and approved a draft determination of Genesis as the causer of the 24 January 2023 UFE. The Code requires the Authority to consult with affected parties before issuing a final determination.

The final determination should be published without change

We consulted on the draft determination from 5 September 2023 to 3 October 2023 (a four-week consultation). No submissions relating to the UFE were received.

In the initial system operator report to the Authority, Genesis accepted that it was the causer. Therefore, staff are recommending the draft determination is upheld.

A participant may dispute the Authority's final determination by giving notice within 10 business days of any decision being published.

You have a delegation to make this decision

The delegation was granted for non-contentious UFEs at the 2 March 2021 Board meeting. The delegation allows the Chief Executive to:

- (a) approve, finalise and publish a draft determination of the 'causer'
- (b) approve the consultation period
- (c) publish a final determination after considering all submissions received, on the basis that the final determination is consistent with the draft determination

This UFE is non-contentious because the causer accepted liability and no parties have submitted on the draft determination.

Final decision to be published

The following text will be published on our website. Because final determinations are usually brief, the Authority does not normally publish these decisions in a document. The web page is updated directly. This text is consistent with previous publications of causer on the Authority's website and does not have a separate header line.

The communications team has recently reviewed the existing general description of under-frequency events on our website to check it is consistent with our new branding and language expectations.

24 January 2023 under-frequency event

Consultation

The normal frequency band in New Zealand is between 49.8 and 50.2Hz. An under-frequency event (UFE) occurred on 24 January 2023, when the frequency fell below 49.25Hz because of a loss of more than 60MW injected into the grid.

The system operator recommended that the causer of the 24 January 2023 UFE was Genesis Energy Limited, as the generator that owns Unit 5 of Huntly power station.

Our draft determination agreed with the system operator's recommendation.

<link to draft determination document>

We consulted on our draft determination and received no submissions.

Final determination

The Electricity Authority's final determination under clause 8.61 of the Code is that Genesis Energy Limited (Genesis), as the generator that owns Huntly Unit 5, was the causer of the UFE on 24 January 2023 at 3:49pm.

The Authority's reasons for the determination are:

- (a) A UFE occurred on 24 January 2023 at 3:49pm when frequency dropped to 48.98Hz in the North Island and 49.13Hz in the South Island.
- (b) The interruption/reduction of electricity occurred at the grid injection point for Huntly Unit 5, which belongs to Genesis.
- (c) No other asset was identified as having caused or potentially caused the UFE.
- (d) The system operator and Genesis agree that Genesis was the causer of the UFE.

The charge advised in the system operator's report to the Authority was \$397,118.75 for 24 January 2023. In accordance with clause 8.65 of the Code, the clearing manager will identify the relevant participants affected and the portion of the charges payable to each.

Sarah Gillies
Chief Executive

Signature:



Approved/Not approved:

Date: 26/2/2024