

Notice Under Regulation 16 of the Electricity Industry (Enforcement) Regulations 2010

Date	30 January 2025
Addressee	Stack Power Limited
Subject	The Electricity Authority alleged that Stack Power breached clauses 16A.13(1) and 15.38(1) of the Electricity Industry Participation Code 2010 (Code), in relation to failure to submit a certified reconciliation participant audit, and performing prescribed reconciliation participant functions without holding certification
Investigator	An investigator was appointed under Regulation 12 of the Electricity Industry (Enforcement) Regulations 2010 (Regulations)
Notifying industry participant Electricity Authority	
Clauses allegedly breached Part 16A clause 16A.13(1) and Part 15 clause 15.38(1).	
<p>Circumstances of alleged breaches</p> <p>On 8 February 2024, the Authority set a three-month audit deadline of 8 May 2024 for Stack Power's next audit and 8 July for its certification, after the Authority reviewed and approved Stack Power's previous audit.</p> <p>Stack Power's reconciliation participant audit was not provided by the 8 May 2024 deadline and as yet has not been received by the Authority.</p> <p>Certification is tied to the submission of an audit report. The certification expiry date is two months after the audit due date, as per clauses 4 and 5 of Schedule 15.1.</p> <p>On 9 July 2024 Stack Power's certification expired. Certification under clause 15.38(1) is required for a participant to perform certain reconciliation functions.</p> <p>Stack Power continued to perform reconciliation functions allegedly in breach of clause 15.38(1), for which it was formerly certified.</p>	

Date and time of alleged breaches

On 8 May 2024 00.00am and 8 July 2024 00.00am (to date)

Please note, under Regulation 16 of the Regulations, you are obliged to respond to this allegation, in writing, to the investigator within 10 working days of receipt of this notice (unless the investigator allows, in writing, a longer period).

Please provide your response to this allegation, or request a longer period to respond, via the Authority's Compliance portal.

Include the following in your response:

- Whether you believe you have breached the Code
- Whether there is another provision you consider more accurately describes the nature of the event
- A full explanation of the circumstances surrounding the alleged breaches
- Identification of any information provided in your response that you consider confidential and that should not be included in the investigator's report under Regulation 19 of the Regulations (Regulation 15(2) of the Regulations). If your response includes confidential information, please provide a second copy where the confidential information has been redacted in case your response needs to be shared with any other parties.

Notice Under Regulation 17 of the Electricity Industry (Enforcement) Regulations 2010

Investigation of alleged breach of the Electricity Industry Participation Code 2010 by Stack Power Limited

On 11 June 2024, the Electricity Authority (Authority) alleged that Stack Power Limited (Stack Power) had breached clause 16A.13(1) of the Electricity Industry Participation Code 2010 (Code). On 15 August 2024, the Authority further alleged that Stack Power had breached clause 15.38(1) of the Code.

On 22 January 2025, the Authority appointed an investigator to investigate the alleged breaches under Regulation 12 of the Electricity Industry (Enforcement) Regulations 2010 (Regulations).

Under Regulation 16, the investigator must promptly notify the industry participant alleged to have breached the Code of the allegations that are being investigated. On 30 January 2025, the investigator gave Stack Power such notice.

Under Regulation 17, at the same time as the investigator sends a notice under Regulation 16, the investigator must publicise the information about the matter under investigation, including the content of the notice given under that regulation. This notice publicises the information about the matter under investigation, and a copy of the notice given under Regulation 16 is attached.

Any participant that considers it is affected by the matter being investigated and that wishes to become a party to this investigation, should notify the investigator within 10 working days after the date on which this notice is published (by 5pm, 14 February 2025).

The investigator can be contacted, citing the reference 2406STAK1 in the subject line, by email at compliance@ea.govt.nz, or at:

Compliance Investigator

Electricity Authority - Te Mana Hiko Level 7, AON Centre

1 Willis Street

PO Box 10041

Wellington 6011