



**TRANSPOWER**

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Electricity Authority  
Level 7, AON Centre  
1 Willis Street  
Wellington 6011  
New Zealand

Sent via email: [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz)

### **Consultation Paper – 21 December 2024 under-frequency event (UFE)**

We appreciate the opportunity to respond to the Authority's draft determination regarding the under-frequency event (UFE) following lightning striking our lines in Hawke's Bay on 21 December 2024. We acknowledge the impact the associated almost 2.5 hours loss of power had on the people of Hawke's Bay in the lead up to Christmas.

Following a review of the system operator's causation report and the Authority's draft determination, we accept that Transpower, in its capacity as grid owner, is the causer of the UFE under the definition provided in clause 1.1 (Interpretation) of Part 1 – Preliminary Provisions of the Electricity Industry Participation Code 2010 (the Code). We also acknowledge the megawatts lost during the event.

We acknowledge the Authority's reasoning, including the application of the strict liability regime and the interpretation of clause (c) of the causer definition. We understand that the Authority's position is consistent with the precedent set by the Electricity Rulings Panel in its 2020 decision regarding the 14 December 2018 UFE. In that case, the Panel confirmed that automatic protection system operation—even when compliant with the Code—does not constitute a purposeful action "in order to comply with the Code" and therefore does not trigger the clause (c) exemption. We accept that this interpretation has been applied consistently in the current determination.

We appreciate the Authority's clarity in setting out the rationale for its decision and its reference to the legislative intent behind the UFE regime. We also acknowledge the importance of maintaining consistency in the application of the Code and the need to ensure that participants best placed to manage risk are incentivised to do so.

Please do not hesitate to contact us should you require any further clarification.

Yours sincerely

**Mark Ryall**  
EGM Grid Delivery

## Appendix: Response to questions

<b>Transpower as Grid Owner</b>	
<b>Questions</b>	<b>Comment</b>
Q1. Do you agree with the draft determination that the grid owner was the causer of the UFE at approximately 2.45pm 21 December 2024? If not, please advise your view on the causer and give reasons.	We accept that the operation of a grid owner asset initiated the sequence of events that led to the UFE, and under the Code's strict liability framework, this is sufficient to establish causation.
Q2. Do you agree with the draft determination that subparagraph (c) of the causer definition does not apply? If not, please advise your view on the causer and give reasons	Yes, we agree. The automatic operation of protection systems does not meet the threshold of a purposeful action "in order to comply with the Code," as confirmed by the 2018 UFE Rulings Panel decision.
Q.3 Do you agree with the system operator's assessment that 391.38 MW was lost from the power system in the 21 December 2024 UFE? If not, please advise your view on the MW lost and give reasons.	Yes, we agree with the system operator's assessment of 391.38 MW lost during the event.