

## **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.

### **Background**

Energy Clearing House Limited, as the clearing manager, alleged 10 breaches by South Pacific Energy Limited (South Pacific Energy) in relation to late or incorrect payments in respect of clauses 14.31(1)(a), 14.32(1) and 14A.6(2) of the Electricity Industry Participation Code between 18 July 2024 and 4 April 2025.

- clause 14.31(1)(a) of the Code requires that a participant pay the clearing manager the amount owing for electricity purchased by the due date and time
- clause 14.32(1) of the Code requires that a participant must ensure it pays the clearing manager in cleared funds into the clearing manager's operating account
- clause 14A.6(2) of the Code requires that a participant pay the clearing manager the amount owing for prudential security by the due date and time.

### **Fact finding and investigation process**

On 22 January 2025, the Authority appointed an investigator in relation to four instances of late or incorrect payments to the clearing manager between 18 July 2024 and 20 September 2024.

On 30 April 2025 the Authority appointed an investigator in relation to two instances of late payments to the clearing manager on 20 December 2024 and 27 February 2025.

27 June 2025, the Authority appointed an investigator in relation four instances of late or incorrect payments to the clearing manager between 3 March 2025 and 4 April 2025.

A settlement agreement between parties was not able to be achieved.

On 25 August 2025, the Authority received two separate reports relating to the alleged breaches set out above from the investigator recommending it lay a formal complaint with the Rulings Panel, under regulation 23(3)(b) of the Regulations.

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

On 25 August 2025, the Authority decided to lay a formal complaint with the Rulings Panel against South Pacific Energy under regulation 23(3)(b) of the Regulations concerning alleged breaches of clauses 14.31(1)(a), 14.32(1) and 14A.6(2) of the Code between 18 July 2024 and 4 April 2025.

## Reasons for the Authority's decision

The reasons for the Authority's decision to lay a formal complaint with the Rulings Panel are:

- Late payments, and particularly repeated late payments, result in an operational impact for the clearing manager
- South Pacific Energy, based on the number of alleged Code breaches, did not exercise due care and consideration for its payment obligations
- South Pacific Energy has demonstrated a pattern of repeated non-compliance
- There is a moderate risk of recurrence.