



Rulings Panel Annual Report

2023/2024

Annual Report - 1 July 2023 to 30 June 2024

Presented to the Electricity Authority pursuant to Regulation 115 of the Electricity Industry (Enforcement) Regulations 2010.

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Introduction

The Rulings Panel is established under the Electricity Industry Act 2010. It has a role in the enforcement of the Electricity Industry Participation Code 2010 (the Code) by dealing with complaints about breaches of the Code, appeals against certain decisions made under the Code and resolving certain disputes relating to the Code.

One new complaint was filed with the Panel. No appeals have been filed or are before the Panel, and no disputes have been referred. No decisions were made or issued during the period.

Members

Mel Orange - Chair



Mel Orange is a barrister and business consultant from Christchurch. He has worked in the energy and construction industries for 25 years, including being a past Board Member of MARIA. Mel is the Chair of the Building Practitioners Board and Deputy of the Electrical Workers Registration Board. Mel is appointed until 29 June 2028.

Lee Wilson



Lee Wilson is an electricity market specialist with over 35 years of experience with electricity companies and providing consulting services to the energy sector. He was a founding director of Concept Consulting Group and, during his 18 years of consulting, led a wide range of assignments for government agencies and energy companies, with a focus on energy policy and market design. Lee's senior executive roles include Establishment CEO for Genesis Energy, CEO for the Electricity Reform Transition Unit, Market Development Director at Contact Energy, and Corporate Development Manager at the Electricity Corporation of New Zealand. He was a member of the Electricity Price Review, which provided its recommendations to the Minister in May 2019. Lee is appointed until 29 June 2028.

Matthew Dunning KC



Matthew Dunning is a barrister and King’s Counsel with over 40 years of experience in commercial litigation, particularly competition and regulatory issues. He has advised many local and international businesses and represented them before New Zealand courts and regulatory bodies, including in relation to the operation of the electricity market and challenges to regulatory decisions. Prior to becoming a barrister in 2003, he was a partner at Russell McVeagh in Wellington, then Auckland. Matthew has been appointed for a five-year term from 29 June 2023.

Paul Webber



Paul Webber is an infrastructure specialist with a particular interest in pricing and economic regulation of utilities. He has more than 30 years of experience in the electricity industry in New Zealand, Australia, the Pacific, Asia and Africa. As a director of Wedgwood White Limited, he has provided pricing, economic regulation and investment analysis advice to utilities, governments and multilateral lending organisations over the last 23 years. Away from infrastructure, he is a trustee of Sailability Auckland and is involved in the governance of other organisations related to sailing for youth and the disabled. Paul has been appointed for a five-year term from 29 June 2023.

Appointments

The Ministry of Business Innovation and Employment, on behalf of the Minister for Energy, is continuing has been running an appointment process during the reporting period to appoint one further member.

Summary of decisions made

No decisions were made during the reporting period. One complaint was made toward the end of the reporting period.

Summary of matters before the Rulings Panel

On 5 June 2024, the Electricity Authority lodged a formal complaint with the Rulings Panel for an alleged breach of clause 30.1B of the Policy Statement (incorporated by reference into the Electricity Industry Participation Code 2010) by the system operator.

The alleged breach relates to a requirement of the system operator to correctly apply security constraints, regardless of whether or not the information on the Transpower website about the power system stability limits or security constraints is complete or up to date.

Summary of performance against budget

The Rulings Panel and the Electricity Authority set a budget prior to the commencement of each financial year.¹ The budget is based on anticipated expenses and is reviewed on a monthly basis. For the 2023-2024 financial year, a budget of \$180,000 was agreed. A lower-than-anticipated volume of matters resulted in an underspend.

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
66	Rulings Panel Fees	41	180
2	Domestic Travel	4	2
-	Australia Travel	2	-
3	Training	1	-
1	External Events & Publications	6	-
2	Administrative Costs	1	-
74	Total expenditure	55	182

¹ Regulation 113 of the Electricity Industry (Enforcement) Regulations 2010

Summary of performance against performance objectives

A summary of the Panel's performance against stated objectives is contained in Appendix 1.

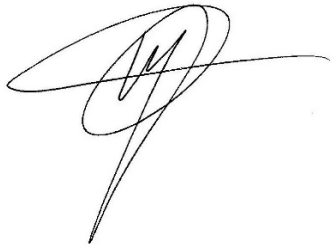
Performance objectives for the 2023 to 2024 financial year

The Ruling Panel's performance objectives are contained in Appendix 2.

Comments on the Act, regulations or Code changes

Section 54 allows the Panel to make recommendations for changes to the Act, Regulations or the Code. As the Panel has not considered any matters, no recommendations have been made.

Dated this 23rd day of August 2024

A handwritten signature in black ink, appearing to be 'M Orange', with a large, sweeping flourish extending to the left.

M Orange
Rulings Panel Chair

Appendix 1 - Summary of performance against performance objectives

Pursuant to Regulation 113 of the Electricity Industry (Enforcement) Regulations 2010

No.	Objective	Performance Measure	Target	Progress
1	Independence and Impartiality No changes	<ul style="list-style-type: none"> The Rulings Panel is independent and without the potential for bias, perceived or actual. Hearings are conducted in public, and decisions are published unless there is a good reason not to. 	<ul style="list-style-type: none"> All conflicts of interest are disclosed. Interests register is maintained by Rulings Panel members. Open access to hearings is provided. Decisions are published in a timely manner. 	<ul style="list-style-type: none"> No conflicts declared Interest register is up to date One matter before the Panel, which was within the regulation 33 period at the time of reporting. Not applicable
2	Fair treatment No changes	<ul style="list-style-type: none"> Each party is given the opportunity to put their case and be heard. Matters are determined impartially and according to the law. Rules of evidence are observed as modified by regulation 39. 	<ul style="list-style-type: none"> Requirements of the Electricity Act 2010 and the Electricity Industry (Enforcement) Regulations 2010 are observed. Rulings Panel Procedures are published, observed and regularly reviewed. Rules of natural justice observed. 	<ul style="list-style-type: none"> Met. One matter before the Panel, which was within the regulation 33 period at the time of reporting. Review commenced No matters for the Panel: not applicable
3	Accessibility	<ul style="list-style-type: none"> Information about the existence of the Rulings Panel, its jurisdiction and what is involved for 	<ul style="list-style-type: none"> Maintain an independent website. Publish procedures, decisions and related materials. 	<ul style="list-style-type: none"> Met Met

No.	Objective	Performance Measure	Target	Progress
		<p>users is readily accessible.</p> <ul style="list-style-type: none"> • Access to the Rulings Panel is available without undue administrative burden. • Costs to the user do not impose an undue barrier to access. 	<ul style="list-style-type: none"> • Promote an understanding of the Rulings Panel’s jurisdiction and functions. • No costs are imposed on filing matters with the Rulings Panel. • Rulings Panel costs are imposed on an equitable basis and in accordance with regulation 90. • Innovative and cost-effective means to hear matters are developed and implemented. 	<ul style="list-style-type: none"> • One article published • Met. • One matter before the Panel, which was within the regulation 33 period at the time of reporting. • One matter before the Panel, which was within the regulation 33 period at the time of reporting.
4	Professionalism and Integrity	<ul style="list-style-type: none"> • Respect for the law. • Rulings Panel Members are competent in the performance of their functions. • Decide cases fairly and free from influence. 	<ul style="list-style-type: none"> • Rulings Panel Members have the knowledge and technical skills together with the communication and decision-making skills to make robust decisions. • Rulings Panel engages experts as and when required to assist the Panel in its deliberations and maintains a register of appropriate persons. • Rulings Panel membership of the Coalition of Australasian Tribunals (COAT). 	<ul style="list-style-type: none"> • Two new members appointed. One legal, one technical. Deputy Chair not appointed. Issue being resolved. • No experts engaged • Membership maintained.

No.	Objective	Performance Measure	Target	Progress
			<ul style="list-style-type: none"> • Members undertake training and maintain awareness of industry matters. • Members meet as required to review cases, decisions and procedures. 	<ul style="list-style-type: none"> • Chair attended annual conference. • Two members attended Downstream • Met with the Authority Board
5	Accountability	<ul style="list-style-type: none"> • Rulings Panel meets its statutory objectives: <ul style="list-style-type: none"> ○ reasonable endeavours are used to decide matters within 40 days of a hearing or receiving final submissions; ○ decisions published within 10 working days; and ○ reporting completed in accordance with regulations 113 to 114. 	<ul style="list-style-type: none"> • Performance results are regularly published. • Improvement action is taken when objectives are not met. • Quarterly and annual reporting completed in a timely manner. • Promote an understanding of the Rulings Panel’s jurisdiction and functions. • Rulings Panel maintains an industry profile through attendance at industry events and undertaking speaking opportunities. 	<ul style="list-style-type: none"> • Met • No action required • Met • Further work required • Attended Downstream
6	Efficiency	<ul style="list-style-type: none"> • Decisions are made in a timely manner. • Ruling Panel costs proportionate to the 	<ul style="list-style-type: none"> • 80% of cases are decided within 40 days of a hearing or receiving final submissions. • Use of draft decisions, where appropriate. 	<ul style="list-style-type: none"> • One matter before the Panel, which was within the regulation 33 period at the time of reporting. • Not applicable

No.	Objective	Performance Measure	Target	Progress
		<p>matter being considered are incurred.</p> <ul style="list-style-type: none"> Innovative and flexible approaches are adopted. 	<ul style="list-style-type: none"> Rulings Panel engages experts as and when required to assist the Panel in its deliberations and maintains a register of appropriate persons. Use of external administrative bureau services if required. 	<ul style="list-style-type: none"> No requirement to date. No requirement to date.
7	Information Disclosure	<ul style="list-style-type: none"> Confidentiality of complaints under consideration is maintained. Suppression orders are issued as appropriate for matters under consideration. 	<ul style="list-style-type: none"> Requirements of regulations 116 and 117 of the Electricity Industry (Enforcement) Regulations 2010 are observed. 	<ul style="list-style-type: none"> Met

Appendix 2 - Performance objectives for 2023 to 2024 financial year

Pursuant to Regulation 113 of the Electricity Industry (Enforcement) Regulations 2010

No.	Objective	Performance Measure	Target
1	Independence and Impartiality	<ul style="list-style-type: none"> • The Rulings Panel is independent and without the potential for bias, perceived or actual. • Hearings are conducted in public, and decisions are published unless there is a good reason not to. 	<ul style="list-style-type: none"> • All conflicts of interest are disclosed. • Interests register is maintained by Rulings Panel members. • Open access to hearings is provided. • Decisions are published in a timely manner.
2	Fair treatment	<ul style="list-style-type: none"> • Each party is given the opportunity to put their case and be heard. • Matters are determined impartially and according to the law. • Rules of evidence are observed as modified by regulation 39. 	<ul style="list-style-type: none"> • Requirements of the Electricity Act 2010 and the Electricity Industry (Enforcement) Regulations 2010 are observed. • Rulings Panel Procedures are published, observed and regularly reviewed. • Conduct hearings in a manner that establishes and maintains the independence and authority of the Rulings Panel and enables proper participation by all involved. • Ensure that hearings and decisions address all relevant issues. • Rules of natural justice observed.
3	Accessibility	<ul style="list-style-type: none"> • Information about the existence of the Rulings Panel, its jurisdiction and what is involved for users is readily accessible. • Access to the Rulings Panel is available without undue administrative burden. 	<ul style="list-style-type: none"> • Maintain an independent website. • Publish procedures, decisions and related materials. • Promote an understanding of the Rulings Panel’s jurisdiction and functions.

No.	Objective	Performance Measure	Target
		<ul style="list-style-type: none"> • Costs to the user do not impose an undue barrier to access. 	<ul style="list-style-type: none"> • No costs are imposed on filing matters with the Rulings Panel. • Rulings Panel costs are imposed on an equitable basis and in accordance with regulation 90. • Innovative and cost-effective means to hear matters are developed and implemented. • Rulings Panel maintains a sector profile through attendance at industry events and undertaking speaking opportunities.
4	Integrity	<ul style="list-style-type: none"> • Respect for the law. • Ethical conduct, consideration for others and personal responsibility. 	<ul style="list-style-type: none"> • Respects and complies with the law. • Members maintain the independence, authority and reputation of the Rulings Panel. • Members maintain personal independence and integrity. • Members promote the highest standards of behaviour and abide by its Code of Conduct. • Rulings Panel maintains a Transparency Register
5	Professionalism and Knowledge	<ul style="list-style-type: none"> • Rulings Panel Members are competent in the performance of their functions. • Decide cases fairly and free from influence. 	<ul style="list-style-type: none"> • Rulings Panel Members have the knowledge and technical skills together with the communication and decision-making skills to make robust decisions. • Possess a sound and detailed knowledge of the electricity industry legal framework and the Panel’s jurisdiction. • Possess a detailed knowledge of the Rulings Panel’s procedures and apply those procedures appropriately.

No.	Objective	Performance Measure	Target
			<ul style="list-style-type: none"> • Specialist Members possess an in-depth and up-to-date expert knowledge. • Rulings Panel engages experts as and when required to assist the Panel in its deliberations and maintains a register of appropriate persons. • Rulings Panel membership of the Coalition of Australasian Tribunals (COAT). • Members undertake training and maintain awareness of sector matters. • Members meet as required to review cases, decisions, procedures and changes to jurisdiction or the Code that impact the Panel.
5	Decision Making	<ul style="list-style-type: none"> • Rulings Panel is decisive, confident, independent and impartial in its decision making 	<ul style="list-style-type: none"> • Rulings Panel identifies and assimilates relevant facts and expert evidence and exercises sound judgment. • Uses a structured decision-making process to produce well-structured, concise and clear decisions and reasons for decisions.
5	Accountability	<ul style="list-style-type: none"> • Rulings Panel meets its statutory objectives: <ul style="list-style-type: none"> ○ reasonable endeavours are used to decide matters within 40 days of a hearing or receiving final submissions; ○ decisions published within 10 working days; and ○ reporting completed in accordance with regulations 113 to 114. 	<ul style="list-style-type: none"> • Performance results are regularly published through regulation 114 Quarterly Reports and monthly financial updates. • Improvement action is taken when objectives are not met. • Quarterly and annual reporting completed in a timely manner. • Annual meetings with the Electricity Authority Chair and Board.

No.	Objective	Performance Measure	Target
6	Efficiency	<ul style="list-style-type: none"> • Active management of cases to promote the efficient determination of matters. • Decisions are made in a timely manner. • Ruling Panel costs proportionate to the matter being considered are incurred. • Innovative and flexible approaches are adopted. 	<ul style="list-style-type: none"> • 90% of cases are decided within 40 days of a hearing or receiving final submissions. • Use of draft decisions, where appropriate. • Rulings Panel engages experts as and when required to assist the Panel in its deliberations and maintains a register of appropriate persons. • Use of external administrative bureau services if required.
7	Information Disclosure	<ul style="list-style-type: none"> • Confidentiality of complaints under consideration is maintained. • Suppression orders are issued as appropriate for matters under consideration. 	<ul style="list-style-type: none"> • Requirements of regulations 116 and 117 of the Electricity Industry (Enforcement) Regulations 2010 are observed.