

Transpower normalisation application for Edgecumbe – Waiotaha interruption

Decision - reasons paper

27 October 2026



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Chapter 1 Introduction

Purpose of this paper

- 1 This paper sets out our decision to approve Transpower New Zealand Limited's (**Transpower**) application (**Application**)¹ to treat an interruption of its 110kV Edgecumbe-Waiotaha 2 (**EDG-WAI-2**) circuit between 12 and 13 April 2026 (**April 2026 Interruption**) as a 'normalisation event' under the *Transpower Individual Price-Quality Path Determination 2025* [2024] NZCC 26 (**IPP**).²
- 2 We also set out in this paper the reasons for our decision as well as the impact on Transpower's quality standards and performance measures because of our decision.³

What is a normalisation event?

- 3 The IPP sets a package of measures and quality standards for Transpower which comprise grid performance (**GP**), asset health (**AP**) and asset performance (**AP**) measures. The IPP also sets the total revenue at risk for revenue-linked grid output measures.
- 4 These measures quantify interruptions to supply and outages (disconnection from service) of core transmission assets.
- 5 Clause 21 of the IPP allows Transpower to apply to us to 'normalise' interruptions or outages that meet certain criteria and relate to particular AP and GP measures under the IPP. Our policy intent is that the relevant quality standards should not apply to such interruptions or outages that are beyond Transpower's reasonable control, in circumstances where Transpower exercised good electricity industry practice (**GEIP**).⁴
- 6 If we approve an application for normalisation under the IPP's criteria, Transpower can exclude the impact of the normalised outage or interruption from the application of the relevant quality standard under the IPP. Treating an outage or interruption as a normalisation event also affects the outcome of the performance incentives applicable to Transpower.⁵

¹ Transpower "Normalisation Application under clause 21.3 of the Transpower Individual Price-Quality Path Determination 2025", 10 August 2026 (**Application**), published with this paper.

² Transpower "Interruption Report: Waiotaha loss of supply, 12/13 April 2026" (**Interruption Report**), 8 June 2026, available [here](#).

³ IPP, cl. 15, 17, 18.2 and 19.2.

⁴ IPP, Attachment D, available [here](#).

⁵ IPP, Table 4.2, pg. 29, Table 4.3, pg. 30.

We have decided to approve the Application

- 7 Having evaluated the Application and supporting information against the requirements for normalisation set out in clause 21.2.1 to 21.2.4 of the IPP, our decision is to approve the Application to treat the April 2026 Interruption caused by Cyclone Vaianu as a normalisation event.
- 8 Our decision enables Transpower to exclude the interruption caused by the normalisation event from the relevant quality standards under the IPP.
- 9 The relevant quality standards affected by the April 2026 Interruption are GP1 and GP2, and are described below:⁶
 - 9.1 GP1 measures the number of unplanned interruptions for each point of service (**POS**) sub-category; and
 - 9.2 GP2 measures the average duration of unplanned interruptions for each POS sub-category.
 - 9.3 The allocation of POS to the sub-categories is listed in Schedule F of the IPP.⁷ The three POS sub-categories relevant to April 2026 Interruption are:
 - 9.3.1 N-security material economic consequence (GP1D and GP2D) for POS, WAI011S1;
 - 9.3.2 N-security material economic consequence (GP1D and GP2D) for POS, WAI033S1; and
 - 9.3.3 N-security generator (GP1F) for POS, WAI033I1.

Transpower has applied to treat the impact of Cyclone Vaianu as a ‘normalisation event’

- 10 On 10 August 2026, Transpower applied to us to treat the April 2026 Interruption as a normalisation event. The interruption occurred as a result of Cyclone Vaianu, being a natural disaster under clause 21.2.4 of the IPP.
- 11 Transpower applied on the basis that the April 2026 Interruption was a direct result of strong winds and heavy rain during Cyclone Vaianu. The Cyclone Vaianu impacted the northern and eastern regions of the North Island over 12 and 13 April 2026.

⁶ IPP, cl.15 and 16.

⁷ IPP, Schedule F 2

12 The April 2026 Interruption was due to one of the conductors of EDG-WAI 2 circuit, traversing the forest area, becoming entangled in trees. Transpower's transmission 110kV EDG-WAI 2 circuit was affected. The interruption of transmission lines resulted in loss of supply to two grid exit points and a grid injection point on 12 and 13 April 2026.

13 Table 1 below shows the duration of the interruption by POS sub-categories.⁸

Table 1: Interruption relevant to the GP measures by point of service sub-category

POS sub-category	POS	Start time of service interruption	Return to service time	Interruption duration (hours)
N-security material economic consequence (GP1D and GP2D)	WAI011S1	12/04/2026 12.42	13/04/2026 14.22	25.67
N-security generator (GP1F)	WAI033I1	12/04/2026 12.42	13/04/2026 14.34	25.87
N-security material economic consequence (GP1D and GP2D)	WAI033S1	12/04/2026 12.42	13/04/2026 14.22	25.67

14 The Application covers the unplanned interruption caused by Cyclone Vaianu and the subsequent return of the system to normal operation.

We have decided to approve Transpower's normalisation application

15 Having evaluated the available information against the requirements for normalisation set out in clause 21.2.1 to 21.2.4 of the IPP, we have decided to approve the Application to treat the April 2026 Interruption (caused by a conductor being entangled in trees) as a normalisation event.

16 Our decision allows Transpower to exclude the effect of the interruption from the relevant quality standards under the IPP.

17 Our decision also affects the outcome of Transpower's performance incentives.

⁸ Application, above n 1, Table 1, pg. 2.

Chapter 2 The IPP framework and criteria for normalisation

Normalisation is set out in Transpower's individual price-quality path

- 18 Transpower is a regulated supplier under Part 4 of the Commerce Act 1986 (**Act**). We set Transpower's individual price-quality path in a determination we make under Part 4 of the Act. This includes the quality standards of grid performance and asset performance measures.
- 19 For a given disclosure year, clause 21.1 of the IPP provides that an interruption or outage can be excluded from the calculations of measures of grid performance,⁹ or asset performance measures,¹⁰ where the Commission decides that the relevant interruption or outage is a normalisation event.¹¹
- 20 The IPP requires that Transpower apply to us to assess whether an interruption or outage event meets the criteria for a normalisation event. The application requirements and criteria for a normalisation event are set out below.

Transpower must apply for normalisation

- 21 Clause 21.3 of the IPP requires Transpower to make a written application to us for each interruption or outage in the disclosure year that Transpower considers is a normalisation event. The application must:
 - 21.1 be made no later than 42 working days after the end of the disclosure year (clause 21.3.1);
 - 21.2 include the reasons why Transpower considers the normalisation event has occurred and why Transpower considers:
 - 21.2.1 the interruption or outage was beyond Transpower's control;
 - 21.2.2 the effect of the interruption or outage on the grid, including managing to a shorter duration than that which actually occurred, was beyond Transpower's reasonable control; and
 - 21.2.3 it exercised GEIP in relation to the cause and effects of the interruption or outage;
 - 21.3 include supporting evidence for the reasons provided in accordance with clause 21.3.2, including, without limitation, information on the relevant design standards of any Transpower equipment involved in the interruption or outage (clause 21.3.3);

⁹ IPP, cl. 14 – 17 and 20.3.1-20.3.2.

¹⁰ IPP, cl. 18, 19, 20.3.3, 20.3.4.

¹¹ IPP, cl. 21.4.

- 21.4 include proposed re-assessed values of any calculations of measures of grid performance or calculations of measures of asset performance that are relevant to Transpower's written application, re-assessed as if the interruption or outage was excluded from those measures in accordance with clause 21.1 (clause 21.3.4); and
- 21.5 include any other information that Transpower considers is relevant to its application (clause 21.3.5).

Criteria for normalisation

22 Clause 21.2 of the IPP defines a 'normalisation event' as an interruption or outage that:

- 22.1 was beyond Transpower's reasonable control;
- 22.2 Transpower did not cause, or materially contribute to, by any failure to exercise good electricity industry practice (**GEIP**);
- 22.3 had a duration of 24 hours or more, in circumstances where that duration was:
 - a) beyond Transpower's reasonable control; and
 - b) not caused, or materially contributed to, by any failure of Transpower to exercise GEIP; and
- 22.4 was the result of:
 - a) natural disaster;
 - b) fire not caused by Transpower equipment failure;
 - c) explosion not caused by Transpower equipment failure;
 - d) civil commotion;
 - e) a terrorist act;
 - f) malicious damage;
 - g) war (declared or undeclared);
 - h) revolution;
 - i) contamination;
 - j) action or inaction by a court or government agency (including denial, refusal or failure to grant any authorisation, despite timely best endeavour to obtain an authorisation);
 - k) a work stoppage;
 - (l) a dispute between an employer and employees;
 - (m) work bans; or

- (n) acts or omissions (other than failure to pay money) of a third party that affect the ability of Transpower to prevent or minimise the interruption or outage.

The Commission must assess the Application and publish its decision

23 Clause 21.4 of the IPP requires us to decide whether each interruption or outage that is the subject of that written application is a normalisation event, using the criteria in clauses 21.2.1-21.2.4 and:

23.1 publish our decision on our website, which describes:

- a) any interruption or outage that we have decided is a normalisation event;
- b) reasons for why we have reached that decision, based on the criteria in clause 21.2; and
- c) what calculations of measures of grid performance or calculations of asset performance measures we have decided are affected as a result of (a); and

23.2 advise our decision to Transpower.

Chapter 3 Our evaluation of the outages and interruptions

- 24 Applying the criteria under clause 21.2.1-21.2.4 of the IPP, we evaluated the Application by considering:
- 24.1 whether the April 2026 Interruption was:
 - 24.1.1 the result of an event listed under clause 21.2.4 of the IPP;
 - 24.1.2 beyond the reasonable control of Transpower; and
 - 24.1.3 not caused, or materially contributed to, by any failure of Transpower to exercise GEIP;
 - 24.2 whether the duration of the normalisation interruption was:
 - 24.2.1 at least 24 hours;
 - 24.2.2 beyond Transpower's reasonable control; and
 - 24.2.3 not caused, or materially contributed to, by any failure of Transpower to exercise GEIP;
 - 24.3 whether Transpower made the Application no later than 42 working days after the end of the 2026 disclosure year being 30 June 2026.¹²
- 25 We present the results of our evaluation below.

Transpower's application meets the timeframe and information requirements

Transpower applied within the specified timeframe

- 26 Transpower submitted the Application on 10 August 2026, which is within the required timeframe. Clause 21.3.1 of the IPP mention that applications must be made no later than 42 working days after the end of the disclosure year, which in this case is the 2026 disclosure year.

Transpower's Application provided reasons and evidence in support

- 27 Transpower's Application and additional information provided reasons, evidence and reassessed values of the applicable performance measures in support of the Application to normalise the effects of April 2026 Interruption.

¹² IPP, cl. 21.3.1.

- 28 We are satisfied that the Application and additional information contain the information required under clause 21.3 of the IPP is sufficient in detail for us to assess the Application.

The April 2026 Interruption was the result of an event listed under clause 21.2.4 of the IPP

- 29 Transpower's Application is for an unplanned interruption resulting in loss of supply to Horizon Networks (8MW) and loss of connection to Lodestone's Waioatahe solar farm (0.67MW).¹³

Unplanned interruption

- 30 Transpower has advised that the unplanned interruption was directly caused by the adverse conditions during Cyclone Vaianu, stating:¹⁴

On 12 April 2026 at 12.19pm, Transpower's 110kV Edgecumbe-Waioatahe 2 (EDG-WAI 2) circuit tripped during severe weather causing a momentary loss of supply before is successfully auto-reclosed. At 12.42pm it tripped a second time causing loss of supply to Horizon Networks (8 MW) and loss of connection to Lodestone's Waioatahe solar farm (0.67 MW). The cause of the second trip was later confirmed as a line becoming entangled in trees during the heavy rain and strong winds of Cyclone Vaianu.

- 31 On 8 April 2026, MetService issued a preliminary severe weather watch for the entire North Island, from Cyclone Vaianu. On 11 April, states of emergency were declared in Whakatane District, Hawke's Bay, Waikato, Tauranga and several districts in the Bay of Plenty.¹⁵

- 32 Cyclone Vaianu made landfall on the night of 11 April in Northland. The Coromandel peninsula recorded 220mm of rain while Mahia reported wind gusting at 126 km/h.

- 33 By the night of 13 April, states of emergency were lifted for all areas except Whakatane.

- 34 We are satisfied that the unplanned outages and interruptions included in the Application are a direct result of the Cyclone Vaianu being a natural disaster, based on the following:

34.1 the MetService report on the severity of the Cyclone Vaianu;

34.2 state of emergency had been declared in the area where the line was entangled in the trees;

¹⁴ Application, above n1, pg. 1

¹⁵ MetService summary of Cyclone Vaianu, available [here](#).

- 34.3 the resulting strong winds and heavy rain that led to the conductor swinging and falling among the trees, causing the fault to EDG-WAI 2 circuit resulting in loss of supply; and
- 34.4 the timing of the unplanned interruption – which was on 12 and 13 of April 2026 – coincides with Cyclone Vaianu making landfall in the North Island.
- 35 The April 2026 Interruption directly caused by Cyclone Vaianu can be classified as that resulting from a ‘natural disaster’, which is one of the criteria for normalisation listed under clause 21.2.4 of the IPP. Clause 7.1 of the IPP defines ‘natural disaster’ as “an event caused by forces beyond human control, including without limitation... severe weather events, including lightning, storms, wind and rain ...;”.

The duration of the unplanned interruption was at least 24 hours

- 36 This event caused the unplanned interruptions to EDG-WAI 2 circuit from 12.42pm on 12 April 2026 to 2.22pm and 2.34pm on 13 April 2026 at the two grid exit points and at the grid injection point respectively.
- 37 The duration of the unplanned interruption was:
 - 37.1 25.67 hours at Waioatahe 11kV and 33kV grid exit points; and
 - 37.2 25.87 hours at Waioatahe 33kV grid injection point.
- 38 Table 1 above show the durations of the outages of affected POS sub-categories.

The duration of the unplanned interruption was beyond Transpower’s reasonable control, and was not caused, or materially contributed to, by any failure of Transpower to exercise GEIP

- 39 We evaluate the two criteria under clause 21.2.3(a) and (b) of the IPP together in this section.
- 40 As noted Transpower responded to the interruption event immediately and restored EDG-WAI 2 in 25.87 hours.
- 41 We consider the duration of the outage has been justified by Transpower as being beyond its reasonable control. Transpower was unable to reinstate the circuit safely to a secure operational state until the wind had subdued and daylight reached. Transpower used a helicopter company experienced in such works to assist in reinstating the circuit, which we consider a prudent decision when considering that any land-based reinstatement would have been of a longer duration as the path would need securing a safe track to the fault area before any restoration work could begin.

- 42 For similar reasons, we likewise consider that the event's duration was not caused, or materially contributed to, by any failure of Transpower to exercise GEIP.

The unplanned interruption was beyond Transpower's reasonable control

- 43 We have assessed whether Transpower's risk mitigation measures and steps taken in the circumstances and context of the April 2026 Interruption was reasonable such that the April 2026 Interruption was beyond Transpower's reasonable control.

- 44 Since the loss of supply was the third similar event on the EDG-WAI 2 circuit in the last 7 years, we requested that Transpower provide further detail on the actions it took following earlier losses of supply. Transpower in its response on 2 October 2026 stated:¹⁶

Since the previous vegetation-related events, Transpower has implemented a number of measures to improve identification and management of vegetation risks affecting transmission network. These include implementation of vegetation-specific LiDAR surveys in 2023, and more undertaken recently on a two-year cycle, with resulting data used to model conductor positions under a range of operating and weather conditions.

Over the three years prior to Cyclone Vaianu, Transpower and its service provider proactively worked with forestry owners and their forestry managers to remove large portion of the forest along EDG-WAI B line. This engagement involved reviewing the forward harvesting programme for each forestry block, developing an Electrical Hazard Management Plan (EHMP), and then removing the relevant section of forest in a controlled manner. As negotiations, maintaining good relationship with the landowners is paramount. Arriving at an EHMP may take 6 – 12 months, to accommodate harvests favourable market conditions.

Since 2022, there have been four EHMPs developed in the section of EDG-WAI B line, in spans 84 to 118 (where the faults were), involving approximately 110-120 days of forestry removal along that section of the line. Transpower has provided electrical stand-over support (Overseeing and supervising third party work occurring near live electrical assets), for the harvesting crews during felling operations adjacent to the circuit.

- 45 As we outline in respect of the IPP criterion under the next subheading, we consider Transpower's risk mitigation measures and the steps it took after the previous events were reasonable. Despite these measures and steps, the extreme weather of Cyclone Vaianu and the direction of the wind gusts resulted in the April 2026 Interruption.
- 46 In particular, the information provided by Transpower, including figure 2 in its Interruption Report, indicates the extreme nature of the swing and fall of the conductor that took place to entangle the conductor with the trees, due to the wind gusts.¹⁷

¹⁶ Transpower letter of 2 October 2026, (RFI001 Waiotaha interruption, additional information, Question 2)

¹⁷ Interruption Report, above n2, Figure 2.

- 47 Given the reasonableness of Transpower's risk mitigation measures analysed below, we are satisfied that the interruption was beyond Transpower's reasonable control.

Whether Transpower caused or materially contributed to the unplanned interruption by any failure to exercise GEIP

- 48 Clause 1.1 of the Electricity Industry Participation Code 2010 states that GEIP is:¹⁸

good electricity industry practice in relation to a grid owner, the exercise of that degree of skill, diligence, prudence, foresight and economic management, as determined by reference to good international practice, which would reasonably be expected from a skilled and experienced asset owner engaged in the management of a transmission network under conditions comparable to those applicable to the grid consistent with applicable law, safety and environmental protection, with the determination is to take into account factors such as the relative size, duty, age and technological status of the relevant transmission network and the applicable law.

- 49 Based on the above definition of GEIP adopted in clause 7.1 of the IPP, we consider that Transpower, as a skilled and experienced asset owner engaged in the management of existing transmission network would exercise GEIP if it:

49.1 had identified and understood the associated risks; and

49.2 developed and implement solutions in a reasonable timeframe to mitigate the risks.

- 50 In this respect, Transpower states that:¹⁹

Patrols and remediations

Grounds patrols on the first day of the outage did not locate the cause. Only limited access to forestry areas was possible on the first day due to continuing high winds raising the risk of tree fall and blocked access roads, together with loss of daylight. A helicopter patrol the following morning quickly identified the three spans that were caught in trees, and a plan was agreed to relocate the conductors to their normal positions as quickly as practicable. This used an approach that is new to us, that a helicopter with a grapple to grasp the conductors. The helicopter company engaged had done similar work on distribution networks in the past and had the relevant standard operating procedures in place. We also has a backup in the form of ground crews in the event our preferred approach was not successful. There were no delays in returning the assets to service that were due to factors within our control. The outage duration was primarily by the need to patrol the circuit and remediate the issues once the wind had passed, in the daylight.

Vegetation management

¹⁸ Electricity Industry Participation Code (GEIP), available [here](#).

¹⁹ Application, above n1, pg.5.

Vegetation risk has long been a significant area of concern to Transpower. In recent years we have moved to a more comprehensive approach to identifying risks but our ability to mitigate some forestry vegetation risks remains limited.

As explained earlier, we have implemented vegetation-specific IDAR surveys, from which we use the data to prioritise tree defects and plan negotiations with forest owners and managers. Over a period of years, Transpower has been advocating for stronger regulations around management of hazard/defect trees, so we can better manage risk in forestry areas. Prior to the event we have been actively working with forest managers in the area traversed by the Edgecumbe-Waiotaha circuit regarding management of high-risk trees. The trees involved in this incident were not assessed to be high risk.

- 51 Transpower also mention that since the tripping of the circuit was caused by a ‘swing and fall’ of the conductor during Cyclone Vaianu, the clearing of low-risk trees that caused the fault, are only attended to when other higher priority works are being carried out in the area.²⁰
- 52 After the first vegetation-related fault in 2019 on the EGD-Wai 2 circuit, Transpower took steps to:²¹
- 52.1 identify potentially hazardous trees to transmission lines traversing forestry areas implementing LiDAR surveys on two-year cycle; and
 - 52.2 negotiate Electrical Hazard Management Plan (**EHMP**) with forestry owners and their forestry managers to remove the trees adjacent to such transmission lines.
- 53 For the EDG-WAI 2 circuit Transpower has negotiated four EHMP for spans 84 to 118 (where the faults were), involving approximately 110 – 120 days of forestry removal along this section of the line. To negotiate an EHMP normally takes 6 to 12 months.²²
- 54 Figure 2 in Transpower’s Interruption report, shows that the entangled conductor is well away from its normal position, suggesting that it would be difficult to classify these hazardous trees as high-risk to transmission lines traversing such forestry areas.²³
- 55 Reviewing the information provided by Transpower and having put in place a tree management plan prior to April 2026 Interruption, we are satisfied that Transpower took reasonable steps to manage the vegetation-related hazards and did not materially contribute to the April 2026 Interruption by a failure to exercised GEIP.

²⁰ Interruption Report, above n2, pg. 8

²¹ Transpower letter of 2 October 2026, (RFI001 Waiotaha interruption, additional information, Question 2)

²² Transpower letter of 2 October 2026, (RFI001 Waiotaha interruption, additional information, Question 2), pg.2

²³ Interruption Report, above n 2, pg. 5

We conclude the April 2026 Interruption meets the IPP's criteria for a normalisation event

56 Based on our evaluation above, we conclude the April 2026 Interruption met the criteria under clause 20.2.1 to 20.2.4 and 21.3.1 to 21.3.4 of the IPP for a normalisation event.

The impact of the normalisation event on grid performance measures GP1 and GP2

57 Following our decision to approve the Application, the impact of April 2026 Interruption will be excluded from the calculations of grid performance measures GP1 and GP2.

58 Clause 21.4.1(c) of the IPP requires us to include in our decision what calculations are affected by the outage that we have decided is a normalisation event.

59 Accordingly, the affected grid performance measures are:

59.1 GP1 – the number of unplanned interruptions each year across all POS in a sub-category; and

59.2 GP2 – the average duration of unplanned interruptions greater than 1 minute across all POS in a sub-category.

60 The impact of excluding the interruptions listed in Table 1 is shown in Table 2 below. The final column shows the re-assessed values for the relevant GP1 and GP2 sub-categories.²⁴

Table 2: Re-assessed values of GP1 and GP2

Measure	POS sub-category	Units	Including this event	Excluding this event
GP1	GP1D: N-security, material economic consequence	Number	9	7
GP1	GP1F: N-security generator	Number	13	12
GP2	GP2D: N-security, material economic consequence	Minutes(average)	395.6	68.6
GP2	GP2F: N-security generator	Minutes (average)	193.3	80.1

²⁴ Application, above n1, Table 2, pg. 6.

- 61 Our decision to treat the April 2026 Interruption as a normalisation event allows Transpower to exclude the interruption from the relevant grid performance measures and respective incentive assessment under IPP at the end of 2026 disclosure year.