

Reliability Panel
Australian Energy Market Commission
Level 5, 201 Elizabeth Street
Sydney NSW, 2000
Australia

4 October 2012

Dear Reliability Panel members,

Re: REL0048 - Review of the guidelines for identifying reviewable operating incidents

Thank you for the opportunity to provide comment to the Reliability Panel on this review.

This submission is made on behalf of the Private Generators listed on the side bar. The Private Generators work on a range of issues affecting generation businesses, including issues related to the National Electricity Market, climate change policy, the environment and work health and safety.

The private generators disagree with the view in the AEMO letter of 30 July 2012 that submissions to the first round of consultation from Origin Energy and private generators were primarily concerned with the market consequences rather than power system security impacts. The private generators submission made numerous references to the importance of operating incident reviews in understanding the dynamics of the power system, and promoting secure operation. Further, the Origin Energy submission also highlighted the importance of incident reports in preserving power system security.

It would be incorrect therefore to regard participant interest in power system incident reporting as purely one of market transparency. Although this is clearly desirable, the objective of ensuring power system security is of primary importance, and is an objective that is in the interests of all industry stakeholders and end use customers.

The private generators support the Panel's view that the "overarching objective of reviewing operating incidents is to promote the secure operation of the power system¹". This objective has been uppermost in our thinking in responding to this consultation.

The private generators note the proposal to introduce new clauses 1A and 6(c) to the guidelines. We offer the following comments in relation to these proposed clauses.

The proposed clause 1A seeks to limit incident reporting to incidents that impact or threaten transmission elements with a nominal voltage of 220 kV and above. We note in passing an apparent inconsistency between the proposed clause 1A, and the proposed new clause 6(c), which contemplates reporting of lower voltage incidents

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¹ Reliability Panel AEMC Draft Report Review of the guidelines for identifying reviewable operating incidents – September 2012, page 1

that affect the security of the transmission system, without the qualification of “higher voltage transmission network”.

The first dot point in the proposed clause 1A specifically prevents review of incidents that force out of service transmission network elements below 220 kV. This is despite the fact that some network elements at 132 kV and 66 kV provide a substantial role in maintaining power system security. For example, loss of multiple 132kV circuits in southeast South Australia would be a significant incident, but would be prevented from review by the proposed guideline.

The second dot point in the proposed clause 1A specifically prevents review of incidents that result in a threat to power system security of assets below 220 kV. As stated above, there are some significant 132 kV assets, which if threatened could pose a security threat; however the proposed guideline would prevent investigation of such incidents.

The private generators believe that it is not appropriate for the guideline to impose restrictions on the scope of what should be reported. The scope of incident reporting is established by clause 4.8.15 of the rules. If the scope is to be amended as proposed by AEMO, then this should be sought as a rule change request.

The appropriate role for the guideline is to assist parties in applying the existing rule clause 4.8.15, and not to make adjustments to its scope. Nevertheless, it is agreed that it would be appropriate for the guideline to endorse a staged approach to reporting commensurate with the severity of the incident.

The aim of the proposed new clause 1A is to ensure AEMO resources are focused on the incidents that present the greatest threat to power system security. This aim is supported, but the proposed solution is unnecessarily prescriptive, with the result that some serious incidents might pass without review.

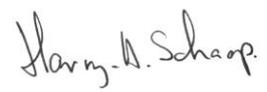
The private generators suggested approach to achieving efficient allocation of resources would be for the guideline to acknowledge that AEMO should carry out incident reviews and report use a scaled approach to public reporting. The guideline should not prescribe the actual scaling to be used by AEMO, but should make it clear that such an approach would be appropriate. AEMO should be required to publish their proposed scaled approach, allowing participants to respond through a consultative process.

For the reasons outlined above, it is suggested that the proposed clause 1A be replaced with the following text:

“When preparing a report of reviewable operating incidents related to an incident described in clause 4.8.15(a)(1) or (3), AEMO should use a scaled approach so that the level of detail in the report is commensurate with the severity of the incident”. The private generators would welcome AEMO preparing a procedure using a consultative process, which sets out the different levels of reporting proposed for a range of incident severity.

Please do not hesitate to contact me on 03 9499 4249 or 0413 623 043 or Chris Deague on 03 9617 8331 if you wish to discuss this submission.

Yours sincerely

A handwritten signature in black ink that reads "Harry A. Schaap". The signature is written in a cursive style with a large initial 'H'.

Dr Harry Schaap
(on behalf of the listed generators)