



13 October 2022

Alex Kroon
Assistant Director Utilities Services Regulation
Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849
alexander.kroon@erawa.com.au

Dear Alex

EIRL7 Alinta DEWAP Pty Ltd 2022 Post-Audit and Post-Review Implementation Plans

As requested in your email dated 29 Sept 2022, please find attached the Post-Audit and Post-Review Implementation Plans addressing the recommendations made by our auditor, Quantum Assurance, following the 2022 Performance Audit and Asset Management System Review in respect of the EIRL7 licence held by Alinta DEWAP Pty Ltd (**Alinta DEWAP**).

If you require additional information, I can be contacted on 9486 3191 or at catherine.rousch@alintaenergy.com.au.

Yours sincerely,

Catherine Rousch
Manager WA Retail Regulation
Alinta Energy

Post-Audit Implementation Plan

Recommendation reference	Non-compliance / controls improvement	Auditor's recommendation	Action proposed to be taken by the licensee	Responsible person(s)	Target completion date
1/2022	<p>B2</p> <p>Obligations 319, 343, 447: <i>Electricity Industry (Metering) Code 2012</i> Clauses 3.1, 3.12(2) & 6.1(1)</p> <ul style="list-style-type: none"> Alinta DEWAP has not completed recommendation 2/2019 of the previous audit regarding creation of a metrology procedure to demonstrate its compliance with the specification of the National Measurement Institute under the National measurements Act. 	Alinta DEWAP should complete a metrology procedure to incorporate the technical requirements of the Metering Code relevant to Alinta DEWAP's metering operations, subject to any exemption granted by the Pilbara ISOCO Limited (ISO) under the Pilbara Network Rules (PNR) for parts of the Metering Code.	<p>In Aug 2021, Alinta DEWAP made a request to the ISO under the PNR for an exemption from parts of the Metering Code. An exemption can be granted where there is a reasonable prospect that the cost/burden of compliance may outweigh the benefits and where suitable alternate arrangements are in place.</p> <p>In Dec 2021, the Minister for Energy made a rule change to extend the PNR transitional period, which extended the commencement date for the PNR rule associated with Metering Code exemptions to 1 July 2023.</p> <p>Following the 1 July 2023 commencement and the ISO assessment process (which includes consultation on its draft decision), Alinta DEWAP will work to fulfil its outstanding obligations under the Metering Code, as required.</p>	Manager Merchant Compliance	31 Dec 2023

Recommendation reference	Non-compliance / controls improvement	Auditor's recommendation	Action proposed to be taken by the licensee	Responsible person(s)	Target completion date
2/2022	<p>B2</p> <p>Obligations 448A, 448C: <i>Electricity Industry (Metering) Code 2012</i> Clauses 6.19A(1) & 6.2</p> <p>In its role of a network operator, Alinta DEWAP has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted to the ERA for approval:</p> <ul style="list-style-type: none"> • Proposed model service level agreement • Proposed metrology procedure • Proposed mandatory link criteria. <p>Therefore, the communication rules have not been approved by the ERA or published by Alinta DEWAP.</p>	<p>a) Alinta DEWAP should complete and submit the following documents to the ERA for approval:</p> <ul style="list-style-type: none"> • Proposed model service level agreement • Proposed metrology procedure • Proposed mandatory link criteria. <p>b) Alinta should publish its communication rules unless otherwise exempted.</p>	<p>The Aug 2021 exception request to ISO under the PNR also sought exemption for creation of these documents.</p> <p>As outlined above, once an assessment has been made by ISO, Alinta DEWAP will work to fulfil its outstanding obligations under the Metering Code, as required.</p>	Manager Merchant Compliance	31 Dec 2023

Post-Review Implementation Plan

Recommendation reference	Non-compliance / controls improvement	Auditor's recommendation	Action proposed to be taken by the licensee	Responsible person(s)	Target completion date
1/2022	<p>C3</p> <p>6.4 Asset Maintenance: <i>Failures are analysed and operation/maintenance plans adjusted where necessary</i></p> <p>Alinta DEWAP has not demonstrated that there is a program in place that identifies the asset performance based on the age of the assets and establishes expected reliability/availability and/or makes adjustments to the operational procedures based on service level requirements of those assets as outlined in the AMP – Port Hedland FY2023 – FY2027.</p> <p>Alinta DEWAP failed to demonstrate that root cause analysis of the recorded trips provided an adequate assessment of causes to assist in directing efforts towards selecting and planning corrective actions to prevent re-occurrence of the same unplanned events during the course of the audit period. That is, Alinta DEWAP has not adequately demonstrated how results of failure analysis have been used to initiate changes in operation and maintenance, as well as engineering/asset renewal.</p>	<p>Alinta DEWAP should develop an asset reliability/availability diagnosis program using specialist companies to identify the impact of aging assets and make adjustments to operational procedures with the aim of minimising unplanned trip events of the assets. Mark VI programming linked to some of the increased trip events of the turbines needs to be addressed to improve the reliability and availability metrics of the assets to achieve target levels set by Alinta DEWAP in the Asset Maintenance Management Metrics and Asset Management Plan for Port Hedland FY2023 – FY2027. The program should address the following elements:</p> <ul style="list-style-type: none"> • Major identified failure modes of assets as related to the plant condition dashboard. • Effectiveness of inspection i.e., how likely to predict an emerging failure. • Ageing effects on operations and maintenance. • Dedicated resource to review failures, trips and near misses and perform root cause analysis. • Analytics on the performance of assets, and benchmark it to the industry. 	<p>Alinta DEWAP will review its asset management plan and, if required, will adjust maintenance practices and operational procedures where appropriate to minimise unplanned trip events.</p> <p>Alinta DEWAP will also review its current program for reviewing failed start and trip events and will modify this program, if required with the aim of achieving target levels set by Alinta DEWAP</p>	Head of Operations, Power Generation	30 June 2023