



Our Ref: DMS# 3147987
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Dear Paul

CALL FOR SUBMISSIONS ON DRAFT INCIDENT REPORTING MANUAL FOR WESTERN AUSTRALIAN ELECTRICITY, GAS AND WATER LICENSEES

Thank you for the opportunity to comment on the draft Incident Reporting Manual.

Verve Energy is concerned that the reporting requirements outlined in the draft manual provide an unnecessary burden on Verve Energy whilst either duplicating/overlapping other mandatory reporting requirements already in place, or collecting information that may be of little value and fails to fit the Incident Classification Criteria.

Duplication of other Regulations

The purpose of the Incident Reporting Manual is to provide the ERA with information on major or significant incidents which:

- have, or could have, caused significant damage, loss or disruption to customers; or
- have endangered, or threaten to endanger, the safety or health of people or the environment.

The mandatory reporting of these incidents is currently covered under the *Energy (Licensing) Regulations 1991*, *Occupational Safety and Health Regulations 1996* and various regulations under the auspices of the *Environmental Protection Act 1986*.

Prescribed incidents must be reported to the relevant authority. To minimise the additional costs and burden of reporting for licensees, these existing incident reports should be sourced from those authorities.

Relevance and Value of Information Collected

With respect to *forced unavailability of generation plant*, the Incident Reporting Manual requires all forced outages or forced reduction in capacity of duration greater than 24 hours to be reported. These incidents are classified as Priority 2 and are to be reported within a 72 hour period from occurrence. With a large portfolio, this will impose a huge reporting burden on Verve Energy. Currently all forced outages and forced reduction in capacity are recorded by System Management and sent through to the Independent Market Operator (IMO). To minimise the reporting burden, this information should be sourced from the IMO.

Table 3 of the draft Incident Reporting Manual classifies forced outages and forced reduction in capacity as 'Priority 2'. Verve Energy wishes to point out that its forced outages and forced reduction in capacity, generally, do not satisfy any of the Priority 2 Criteria for Classification detailed in Table 1. System Management carefully manages plant dispatch so that forced outages and forced reduction in capacity do not threaten supply reliability. Spinning reserve and the management of requested planned outages is used to cater for reductions in supply and it is unlikely that a forced outage or forced reduction in capacity would cause any of the situations outlined in the "Criteria for Classification". Indeed, a prescribed Forced Outage Rate (FOR) is allowed for in generation and system planning and, within limits, is considered prudent management. A FOR of zero would infer excessive expenditure on planned and preventive maintenance.

In the rare event that system security is threatened, it is invariably related to fuel supply interruption rather than plant failure.

Conclusion

Verve Energy sees the proposed incident reporting as a time-consuming and costly exercise with no real immediate benefits for the electricity sector, the ERA or end-users. Verve Energy is happy to provide information on incidents that are material and in the public interest. In this instance, Verve Energy asks ERA to reconsider how much information is necessary to report and will be happy to assist the ERA in that determination.

We thank you again for the opportunity to comment on the Draft Incident Reporting Manual. Should you wish to discuss any aspect of the submission, particularly how forced outages are catered for in generation and system planning, please call either Liza Stephenson on 94241804 or me on 94241836.

Yours sincerely

ANDREW EVERETT
MANAGER STRATEGY & REGULATION