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Submission: Electricity Transmission Reliability Standards: An economic assessment
Energy – Draft report, May 2016

Private submission on the draft recommended standards

On page 16, third dot point, the Economic Assessment acknowledges “some factors affecting system reliability outside the control of the network business (such as major natural disasters).”

The draft recommended standards shown at Appendix B do not allow for events that affect system reliability that are outside of the control of the network business.

These events may include:

- major natural disasters – earthquakes, bush fires, severe weather and floods; albeit these events are more localised events, not exceeding an AEMO PSEMP-classified Power system emergency response level 3 – widespread emergency. Some disaster scenarios, such as a significant earthquake, have not been tested, but may warrant a Power system emergency response level 4 - AEMO co-ordinated response.
- low probability, high impact events – system black, space weather, cyber attack, SCADA failure, market operator control room failure, malicious attacks and rare coinciding (Black Swan) events.

The draft recommended standards are written in absolute terms. There needs to be some allowance in the draft recommended standards for excluded events, otherwise, as acknowledged on page 45, “the Minister, as standard setter may choose to set standards that are not based on an economic analysis where he considers that it fails to adequately address low probability, high impact events.”

This can be achieved by a reference in the standard to excluded events, with relevant definitions of major natural disasters and low probability, high impact events in section 2 Interpretation of Appendix B, supplemented by a list of included events in a Schedule to Appendix B.


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