

LEGISLATIVE COUNCIL

Question On Notice

Thursday, 24 February 2022

568. Hon Martin Aldridge to the Minister for Regional Development representing the Minister for Energy

- (1) I refer to question without notice 46 asked on 16 February 2022, in relation to regional power outages, and I ask of the 1,820 customers that live in regional areas and are eligible for the double extended outage payment, how many are:
- (a) business customers; and
 - (b) residential customers?
- (2) Of those identified in (1), please identify the breakdown by locality?
- (3) Has the Government review of the extended outage payment scheme rate been completed and, if so, please table the review?
- (4) Who undertook the review mentioned in (3), and what were the terms of reference for the review?
- (5) Noting the independent review into outages on the South West Interconnected System between 24 and 28 December 2021 is due to report to you by Monday, 14 March 2022 will you now table the final report?
- (6) What regional locations will be examined as part of this independent review?
- (7) Has the Minister for Energy outlined his expectations to the Chair of Western Power in relation to the review and, if so, please table any relevant correspondence?

Answer

- (1) Western Power does not distinguish between business and residential customers when applying for Extended Outage Payments.
- (2) Not applicable
- (3) - (4) The Government has increased the EOPS rate from \$80 to \$120 for all eligible customers from 1 January 2022 onwards.
- (5) The Independent Review was tabled in Parliament on 23 March 2022.
- (6) The Review examines and reports on the reasons for outages that impacted all communities serviced by the South West Interconnected System (SWIS). The SWIS stretches from Kalbarri in the Mid West, Ravensthorpe in the South, and Kalgoorlie in the East.
- (7) The Minister outlined his expectations to the Chair of Western Power in a letter dated 27 January 2022 [*see tabled paper no 1*].



MINISTER FOR ENERGY

23/3/22



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Corrective Services;
Industrial Relations

Our Ref: 71-23369

Mr Colin Beckett
Chair
Western Power


Dear Mr Beckett

I am writing to advise you that I have commissioned an Independent Review of the Christmas 2021 power outages (Review), which affected approximately 34,000 customers on the Western Power network between 24 and 28 December 2021.

The Review will commence on Monday, 31 January 2022, and will conclude with a report outlining findings and recommendations, which I expect by Monday 14 March 2022.

Please find attached the Review *Terms of Reference* for your information. The Review will include a summary of the outages and the reason for each outage, having regard to a range of matters including, but not limited to, network design, planning, historical performance and maintenance, as well as operational planning and load forecasting. The scope of the Review will also look at Western Power's operational response and risk assessment during the events, communication with external parties, and its compliance with existing regulatory, statutory and market obligations.

I have appointed Ms Michelle Shepherd, currently a Commissioner at the Australian Energy Market Commission, to the role of Independent Reviewer. Ms Shepherd will be supported by a technical advisor as required, as well as Energy Policy WA staff, who will provide a secretariat function and host Ms Shepherd at their offices.


Please note that while the Independent Reviewer is not provided with statutory authority to collect information for this Review, it is my expectation that Western Power will cooperate fully with any requests for information and interviews made by the Independent Reviewer.

The timely provision of fulsome information to the Independent Reviewer is essential to the accuracy and success of this Review, which may require dedicated Western Power resources for the duration of the Review. I trust that Western Power will ensure resources with the appropriate skills and capacity are made available and will provide details for key contacts to the Review team.

Lastly, while I have appointed Ms Shepherd as the Independent Reviewer, Energy Policy WA will be contracting with Ms Shepherd directly. Energy Policy WA will then invoice Western Power for the cost of these services. I understand that these costs are estimated to be in the order of \$150,000 (ex-GST), and I ask that Western Power cooperate with Energy Policy WA in the payment of these invoices.

Thank you in advance for your assistance in this Review, and I look forward to reading the findings and recommendations.

Yours sincerely



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Energy;
Corrective Services; Industrial Relations
27 JAN 2021

Att. Independent Review into the Christmas 2021 Power Outages Terms of Reference

cc. Mr Ed Kalajzic Chief Executive Officer, Western Power

Terms of reference – Independent Review of Christmas 2021 power outages

This independent review (the Review) is commissioned by the Hon Bill Johnston MLA, Minister for Energy, following the power outages that impacted the community from 24 to 28 December 2021.

1. Scope of review

The Review will examine and report on the reasons for the outages impacting communities in the South West Interconnected System (SWIS) between 24 and 28 December 2021 (Review Period).

The Review will include but will not be limited to the following topics:

- a) Cataloguing of outages, including location, time, duration, number of affected customers and any relevant outage characteristics (including repeat outages in a specified location), during the Review Period.
- b) Reasons for each outage catalogued under (a), including the suitability of planning and preventative measures taken by Western Power in the lead-up to the Review Period.

This should consider:

- (i) network and operational planning;
- (ii) network design;
- (iii) asset management and maintenance;
- (iv) asset performance;
- (v) load forecasting;
- (vi) historical network performance; and
- (vii) any other relevant factors.

for parts of the network that experienced outages during the Review Period.

- c) Western Power's operational response to faults in the Review Period compared to good electricity industry practice, including any relevant risk assessment and/or other internal decision frameworks that informed restoration approach, including community impact.
- d) Western Power's compliance with regulatory, statutory and market obligations, including those relating to Emergency Services under both (b) and (c).
- e) Western Power's communication and engagement with external parties in the lead-up to, during and post the Review Period, including:
 - (i) The Coordinator of Energy (the Hazard Management Agency for an electricity supply disruption);
 - (ii) The Department of Fire and Emergency Services;
 - (iii) The Australian Energy Market Operator;
 - (iv) Local Government Authorities; and
 - (v) The Community.

2. Reporting

The key deliverable from the Review is a Final Report which must contain, as a minimum:

- a) the findings of the review, having considered items 1(a) to (e) above and any other relevant matters; and
- b) recommendations that address the findings documented in 2(a).

Draft reports or other materials may be prepared by the Review team, with the agreement of the Minister.

A final report will be provided to the Minister by Monday 14 March 2022 (or as otherwise agreed by the Minister and the Independent Reviewer) for his consideration, followed by tabling in Parliament.

3. Term

The Review will commence on Monday 31 January 2022, with a report and recommendations made to the Minister for Energy by Monday 14 March 2022.

4. Independent Reviewer

The Review will be conducted by an Independent Reviewer, Ms Michelle Shepherd.

Ms Shepherd will be supported by an independent technical advisor, with representatives from Energy Policy WA providing secretariat support. The Review team will be located at Energy Policy WA, Level 1, 66 St Georges Terrace Perth.

5. Contracting and financial arrangements

The Independent Reviewer will be engaged by the Department of Mines, Industry Regulation and Safety¹, with the costs of engagement to be recouped from Western Power.

6. Powers of reviewer

Ms Shepherd will not be granted any statutory authority to compel Western Power or other entity to provide documentation.

The Minister for Energy will outline to the Western Power Chair his expectations regarding the entity's cooperation with the Review team and its information requests prior to the commencement of the Review.

7. Information and confidentiality

The Review will operate independently of the Minister for Energy, Energy Policy WA and Western Power.

All information shared with the Review team is to be held as commercial in confidence, and be returned to relevant entities on completion of the Review.

¹ This may occur through Energy Policy WA, a sub-department of the Department of Mines, Industry Regulation and Safety, which is authorised under the *Procurement Act 2020* to procure in its own right.