



SA Power Networks reliability standards 2018 review by the Essential Services Commission of South Australia

Submission to the Draft Decision Report from the Energy Security of South Australia Working Party

Abstract

The Essential Services Commission of South Australia are currently finalising a Review of SA Power Networks reliability standard for South Australia. The Eyre Peninsula Region of South Australia has suffered a significant number and duration of outages in recent years. The Energy Security for South Australia Working Party are supporting to revert back to a region based reliability standard to ensure that Eyre Peninsula receives power supply reliability equal to that received in other rural areas of South Australia.



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Who are the Energy Security for SA Working Party?

The Energy Security for SA Working Party (ESSAWP) are an independent group of people based on Eyre Peninsula, with no vested interests, who are working together to progress an energy future and energy security solution for Eyre Peninsula and South Australia. ESSAWP have been working with stakeholders across government, industry and the region, on a plan and solution for energy security in SA for over 2 years. The group brings together a wide range of backgrounds with specific skill sets needed to develop solutions in the best interest of South Australia.

The ESSAWP team have good support from regional bodies, local government and RDA Whyalla and Eyre Peninsula and have established connections with ElectraNet, ESCoSA, SA Power Networks, the Minerals, Resources Infrastructure and Investment Taskforce, generators, funders, investors and major commercial users including fishing, manufacturing and mining industry stakeholders. ESSAWP are working with all stakeholders, to secure a collaborative, informed and pro-active approach to energy security and capacity for South Australia.

The overall objective of ESSAWP is to achieve sustainable, reliable, affordable, energy security for South Australia. The Energy Security for South Australia Working party's only purpose is to work with government, energy sector companies and agencies, industry and community to get a solution in place for energy security that maximises the generation capacity of the available renewable resources and to stabilise the grid on Eyre Peninsula, across South Australia, and Australia. ESSAWP have no political allegiances and have no financial interests. We are interested in outcomes and have no specific technology solution preferences.

ESSAWP are committed to working for a collaborative energy security solution. The ESSAWP has been advocating for immediate energy security improvements and for accessing the abundance of renewable energy capacity, with Eyre Peninsula demonstrating some of the highest reserves of untapped wind and solar and emerging pumped hydro capacity and hydrogen in Australia which when harnessed can contribute to secure affordable, reliable and low emission energy generation.



Our goals are:

- Affordable energy
- Reliable supply
- Sustainable systems
- Zero emissions from energy
- Eyre Peninsula as a major exporter of zero emission energy
- Efficient use of energy

Introduction

Eyre Peninsula has a population of 58,000+ people and produces \$4.2 billion of regional product and exports a similar value of \$4.1 billion. Eyre Region includes the major centres of Whyalla, Port Lincoln and Ceduna.

Eyre Peninsula is a region of innovation with a diversified economy including agriculture, aquaculture and seafood, tourism, manufacturing, mining and minerals processing and the renewables sector. Economic development is currently constrained due to energy security, affordability and reliability issues. The region's current energy requirements are up to 30 MW for the Southern Eyre Peninsula inclusive of Port Lincoln and around 50 MW for the balance of Eyre Peninsula.

The Eyre Peninsula region is a major economic contributor to the state's economy. Problems with the electricity infrastructure (both the transmission network as well as the distribution network) are not providing a network of sufficient capacity and reliability to meet the needs of Eyre Peninsula.



Inquiry into the reliability and quality of electricity supply on the Eyre Peninsula Report by ESCoSA October 2017

During the September 28th 2016 outage, Eyre Peninsula suffered a financial loss of \$8.4M. Part of this is attributed to failure of the ElectraNet Transmission system, but a large percentage of this is attributed to the Distribution Network belonging to SA Power Networks.

As a consequence of this event and ongoing reliability issues, the estimated cost of the backup generators by customers on Eyre Peninsula that were installed was \$15M.

These costs and the reliability issues are a large burden on customers on Eyre Peninsula.

ESSAWP acknowledges the good work undertaken by the Essential Services Commission of South Australia (ESCoSA) in the production of this report, it highlights the reliability problem, the need to improve the performance of the Network and that the reliability targets need to be reviewed.

It is pleasing to note that recommendation to review the reliability targets (which is under the direct control of ESCoSA) has been undertaken with a positive outcome of reverting back to the previous targets based on regions. There is no apparent movement on the remainder of the recommendations.

Comments on the Draft decision paper

ESSAWP generally endorses all of the 25 decisions as listed in the table on pages 6 and 7 of the report with exception of where the following comments indicate otherwise:

2.2 Measures will apply to regions, not feeder categories – ESSAWP definitely supports this decision and welcomes the return to regional based reliability targets for the 2020 to 2025 period to ensure all regional areas receive the same level of reliability

2.6 Performance during significant events: included or excluded? - ESSAWP supports the ESCoSA proposal to separately assess performance during significant events, but in this consideration of the revised methodology, we would request that ESCoSA be sensitive to the Sept 28th 2018 event where parts of the west coast of Eyre Peninsula were off supply for up to 5 days, 2 of which can be attributed to the failure of the upstream transmission system, but the remainder relate to the wind event damage and the logistics and limited resources available to restore this area of the state. It is also noted that the SA Power Networks staff and contractors are also utilised by ElectraNet for the rectification of faults with the transmission lines on Eyre



Peninsula and can further diminish the resource availability for distribution network rectification.

3.3 Total annual duration payments - ESSAWP supports the ESCoSA proposal but questions whether the payment values provide an adequate incentive for SA Power Networks to improve this low reliability.

3.4 Frequency payments - ESSAWP accepts the ESCoSA proposal but again questions whether the payment values provide an adequate incentive for SA Power Networks to improve this low reliability.

4.3 SMS communication standard introduced – ESSAWP welcomes this proposal, however it should be noted that during the 28th Sept 2016 event, the mobile communication network failed in many areas on Eyre Peninsula due to the length of the outage, reducing the effectiveness of this in long outages.

5.2 Annual regional reports - ESSAWP welcomes this proposal as this will enable more regular review of network performance by regions rather than as a result of a review after a major event (such as the 2016 event).

Conclusion

ESSAWP commends ESCoSA for a thorough review of the issues in relation to SA Power Networks reliability standard and the improvements proposed.

Our suggested improvements for your consideration are covered in the previous section.



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