

Energy Safe Victoria

Request to submit revised bushfire management plan

REQUEST PURSUANT TO SECTION 109(1) OF THE ELECTRICITY SAFETY ACT 1998

I, Michelle Groves, Acting Chairperson of Energy Safe Victoria issue the following request to **AUSNET ELECTRICITY SERVICES PTY LTD** (ACN 064 651 118) pursuant to section 109(1) of the *Electricity Safety Act 1998* (Vic) as delegate of the Victorian Energy Safety Commission:

Preamble

- 1 ESV's objectives under the Act include to promote the prevention and mitigation of bushfire danger.
- 2 On 28 October 2021, ESV determined to accept the BMP, subject to any further review and amendments required as a result of the Wood Pole Report.
- 3 The purpose of this request is to address concerns held by ESV regarding the Supplier's inspection of the parts of the Supplier's supply network in hazardous bushfire risk areas arising from the Wood Pole Report.

Application

- 4 The Supplier is a major electricity company for the purposes of the Act.
- 5 ESV may make a request to a major electricity company under s 109(1) of the Act at any time. The form of the request must comply with s 109(2) of the Act.

Definitions

- 6 In this request:
 - (a) **Act** means the *Electricity Safety Act 1998* (Vic);
 - (b) **BMP** means the Supplier's bushfire mitigation plan (version 27);
 - (c) **ESMS** means electricity safety management scheme;
 - (d) **ESV** means Energy Safe Victoria, a body corporate established under the *Energy Safe Victoria Act 2005* (Vic);
 - (e) **Supplier** means AusNet Electricity Services Pty Ltd (ACN 064 651 118);
 - (f) **Wood Pole Report** means ESV's Public Technical Report into the Supplier's wood pole management, titled *AusNet Services Wood Pole Management: an assessment of sustainable wood pole safety outcomes* dated February 2022, as well as any responses by the Supplier to findings or recommendations in the report; and
 - (g) **WoodScan®** means the infrasonic pole inspection system used to provide instantaneous on-site information on a pole's degradation and serviceability status.
- 7 Terms that are defined in the Act have the meanings given in the Act.

Request

- 8 ESV requests that the Supplier submit a revised BMP for its supply network to replace the accepted BMP.
- 9 This request only relates to the BMP and not to the electricity safety management scheme of which that BMP forms part (see s 113E of the Act).

Matters to be addressed by the required revision (s 109(2)(b)(i) of the Act)

Increasing scheduled inspections of supply network assets

- 10 Revise sections 8.2.1 (Scheduled Pole Inspections), 10.1 (Inspection Plan) and Table 9-1 to replace the current inspection interval for all supply network assets within hazardous bushfire risk areas to a minimum of 30 months between inspections.
- 11 Revise Table 9-1 to replace the current time period for action of all Limited Life poles to a minimum of 30 months.
- 12 Include a transition plan that will see all overhead supply assets located in hazardous bushfire risk areas move to a 30 month inspection interval.

WoodScan® technology

- 13 Revise sections 8.2 (Bushfire Mitigation Manual), 10.1 (Inspection Plan) and Table 9-1 to include a description of WoodScan® and the Supplier's use of WoodScan® in its inspections of all supply network assets within hazardous bushfire risk areas.
- 14 Revisions to these sections must include a description of, or reference to a document that describes:
- (a) the WoodScan® technology, including its captured data and limitations;
 - (b) the use of WoodScan® and details of planned tasks with milestones;
 - (c) the process and procedures for ensuring each person assigned to carry out WoodScan® is trained and competent to carry out such inspections; and
 - (d) the process and procedures by which the Supplier will monitor and audit the effectiveness of WoodScan® carried out under the BMP.

Proposed date of effect of the revision (s 109(2)(b)(ii) of the Act)

- 15 The proposed date of effect of the revision is to be before 01 October 2023.

Grounds for the request (s 109(2)(b)(iii) of the Act)

- 16 As a major electricity company, the Supplier has various obligations and duties under the Act, including a general duty as set out in s 98 of the Act, which provides that the Supplier must design, construct, operate, maintain and decommission its supply network to minimise as far as practicable:
- (a) the hazards and risks to the safety of any person arising from the supply network;
 - (b) the hazards and risks of damage to the property of any person arising from the supply network; and

- (c) the bushfire danger arising from the supply network.
- 17 Part of the Supplier's supply network is located in hazardous bushfire risk areas. Above-ground electricity lines and poles are a significant contributor to bushfire risk. While only a relatively small proportion of bushfires are ignited by supply network asset failure, these ignitions tend to occur when fire conditions are worst, so that fires ignited by electricity assets are responsible for a substantial proportion of the overall damage caused by bushfire.¹
- 18 Inspection regimes are crucial for providing a state of knowledge from which to mitigate bushfire risk arising from the failure of electricity assets. Whether the assets are repaired or replaced before they fail or are at risk of failing is dependent upon the effectiveness of an inspection regime. The risk of assets failing during service is substantially determined by the length of time between inspections, while the likelihood of in-service failures can be further reduced by improving the effectiveness of inspection methodologies.²
- 19 In 2020, the Supplier lengthened its inspection interval for its supply network assets located in hazardous bushfire risk areas from 30 months to 36 months.³
- 20 The Wood Pole Report made relevant findings and recommendations that:
- (a) the Supplier had recently introduced changes to its wood pole management approach that it had not thoroughly and adequately assessed;
 - (b) the changes had also not demonstrated long-term sustainable safety outcomes or that they minimised risk as far as practicable; and
 - (c) the Supplier was to demonstrate to ESV by 25 February 2022 how its current asset inspection approach to pole management, and frequency of pole inspection in hazardous bushfire risk areas in relation to poles and all pole top asset classes impacted by this change met the general duties imposed on the Supplier pursuant to section 98 of the Act, including the application of the Supplier's ESMS.⁴
- 21 ESV considers that the reduced frequency of inspections by the Supplier will likely lead to an increase in preventable asset failures, which will likely increase the risk of bushfire danger from the Supplier's supply network. While ESV understands that the Supplier has introduced WoodScan® as a control for inspection of wood poles, the use of WoodScan® by the Supplier will not reduce the risk of pole top asset failures and is not reflected in the BMP. ESV considers that revision of the BMP to increase scheduled inspections to the Supplier's supply network assets, and to provide for the use of WoodScan®, is consistent with the Supplier's duty to operate and maintain its supply network to minimise as far as practicable the bushfire danger arising from its supply network.

¹ [Regulatory Impact Statement](#), Electricity Safety (Bushfire Mitigation) Regulations 2013, February 2013

² VBRC, [Volume 2 of the final report into the 2009 Black Saturday bushfires](#), pp. 160-161

³ AusNet Services Distribution BFMP, version 26

⁴ Wood Pole Report, Concluding Remark 3 and Recommendation 4.

22 The objectives of ESV under the Act include to promote the prevention and mitigation of bushfire danger. This request aligns with this objective.

Compliance

23 The Supplier may make a submission to ESV in response to this request on all or any of the grounds specified in s 109(3) of the Act. The submission must be in writing, state the Supplier's reasons for the submission and be made within 21 days of the date that this request is received by the Supplier (see s 109(4) of the Act).

24 Unless a submission is made in accordance with paragraph 23 above, the revised bushfire mitigation plan must be submitted to ESV on or before 01 October 2023.

Penalties

25 Section 110 of the Act provides:

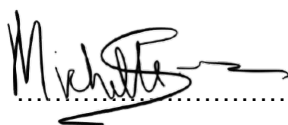
Offence to fail to submit revised electricity safety management scheme on request

If Energy Safe Victoria requests the revision of an electricity safety management scheme in accordance with section 109, the major electricity company must submit a revised electricity safety management scheme for a supply network to Energy Safe Victoria—

- (a) if the major electricity company does not make a submission under that section, within the time (being not less than 60 days) specified by Energy Safe Victoria in the request; or
- (b) if the major electricity company has made a submission under that section and Energy Safe Victoria has not withdrawn the request, within the time (being not less than 60 days) specified by Energy Safe Victoria in the decision on the submission.

Penalty: In the case of a natural person, 80 penalty units;

In the case of a body corporate, 400 penalty units.



Michelle Groves

Acting Chairperson of Energy Safe Victoria

As delegate for the Victorian Energy Safety Commission

9 June 2023