

Secretariat  
DEWLP

By email: [delwp.secretariat@delwp.vic.gov.au](mailto:delwp.secretariat@delwp.vic.gov.au)

28 April 2017

Dear Secretariat,

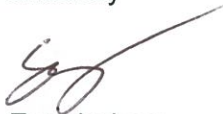
**Re: Submission – Review of Victoria’s Electricity Network Safety Framework**

I refer to your Review of Victoria’s Electricity Network Safety Framework Issues Paper inviting JEN to make a submission to the review.

Please refer to **Attachment 1** which sets out our submission.

Please contact Ian Russom, Asset Risk & Assurance Manager on 03 9173 8421 or at [ian.russom@jemena.com.au](mailto:ian.russom@jemena.com.au) if you have any questions on our submission.

Yours sincerely



Johan Esterhuizen  
**GM Asset Strategy Electrical**

## Attachment 1

No	The Review Issues	JEN's response
1	Safety legislation and approach to safety regulations	<p>The current legislative safety framework was set up in order for the businesses to take responsibility for their network safety risks. In 2009, the regulations attempted to move from Prescriptive (P) to Risk Based (RB) regulations.</p> <p>However, the regulations that were revised were a combination of both prescriptive and risk based.</p> <ul style="list-style-type: none"> <li>- Electricity Safety (Management) – (RB)</li> <li>- Electricity Safety (Installation) – (P) e.g. obligations relating to both electricity suppliers and major electricity companies apply to Jemena Electricity Networks, such as Clause 205.</li> <li>- Electricity Safety (Bushfire Mitigation) Regulations (P)</li> <li>- Electricity Safety (Electric Line Clearance) Regulations (P)</li> </ul> <p>The combination may lead to confused responsibilities. Businesses are managing their risks but are directed via regulation to perform certain tasks.</p> <p>(a) The legislation requires clarification as to what is risk based and what is prescriptive. For example, removal of prescriptive clauses from within the Electricity Safety (Installation) regulations that relate to Major Electricity Companies (MEC) these requirements should be covered under the safety risk management requirements within the Electricity Safety (Management) Regulations.</p> <p>(b) Prescriptive regulation such as the Electricity (Bushfire Mitigation) and Electricity Safety (Electric Line Clearance) Regulations are still required, for example, the minimum clearance spaces to electric lines. In general, these regulations need to relate to how the network safety risks are managed in accordance with the Electricity Safety (Management) Regulations.</p>
2	ESV's approach to regulations	<p>(a) ESV requested the businesses to prepare a Safety Case document in addition to fully documenting an Electricity Safety Management Scheme (ESMS). All other safety regulators only require businesses to write one comprehensive document. The Electricity Safety (Management ) Regulations 2009 only stipulates the preparation of an ESMS. Preparation of a separate Safety Case is not required in the regulations. Clarification between the Safety Case and ESMS regimes is required.</p>



		<p>(b) The current regulatory framework does not efficiently cater for small scale additional assets owned by related entities and utilising the same management systems and controls. Strictly applied, the regulations as they stand would require a full Electricity Safety Management Scheme (ESMS) to be prepared to cover these assets. For example, Melbourne Airport Zone Substation (MAT) which is owned by Jemena Energy Assets (JEA) is not a part of the Jemena Electricity Network (JEN) but is managed and controlled by the same company, Jemena. All controls applied to manage risk are identical as those used for the Jemena Electricity Network. The regulations need to be revised to efficiently and pragmatically allow coverage for additional, related entity, assets.</p>
3	Safety reporting and public information	<p>(a) Safety incident reporting. Currently incidents are required to be reported to various government bodies. For simplicity and efficiency there should be only one authority for reporting serious safety incidents.</p> <p>(b) Safety incident reporting criteria are quite complex with different reporting levels and timing requirements. This needs to be simplified.</p>
4	The balance between economic and safety regulations	<p>The costs of safety programs proposed by MECs to further mitigate risk and improve network safety performance are subject to review by the economic regulator each five years as part of the Electricity Distribution Price Review (EDPR) process. Proposed safety programs may not be supported by the economic framework and appropriate funding is necessary to generate systemic improvement of safety outcomes. There is a need for an accepted methodology or framework for analysing the costs of reducing safety risks.</p>
5	Emerging technologies	<p>Prescriptive network safety regulations are ineffective for the management of risks where those risks are dynamic and changing such as those associated with implementing emerging technologies. Regulations are frequently established under ten year sunset requirements and are therefore static in nature and slow to change.</p>
6	Typos and update of Jemena statistics on p6 of the Issues Paper.	<p>The updates statistics are as follows:</p> <p>Customers: 327,386 (90% residential)</p> <p>Service area: 950 km<sup>2</sup></p> <p>Powerline length: 6,301 km (75% urban, 29% underground)</p> <p>No. of poles: 103,000 approx.</p>