



Office of **Energy**

Energy Bulletins

A New Era

1 January 1995 heralded a new era for Western Australia's energy sector, covering the electrical and gas industries.

SECWA no longer exists and has been succeeded by Western Power and AlintaGas, two corporatised Government-owned utilities.

Other than consumer installation inspections, all regulatory functions previously carried out by SECWA have been transferred to the new Office of Energy. These functions are therefore no longer tied to any one utility, but are independent. This is necessary for an energy market that is expected to become increasingly competitive and where all participants need to be treated equally.

There are of course many other topics covered in this new-look Bulletin. Most importantly, it covers gas and electrical issues, from a regulatory and policy perspective. Distribution of the Bulletin will include most consulting engineers, energy industry associations, electrical contractors and gasfitting-related businesses.

We want this publication to be topical, informative and able to be used as a reliable reference to regulatory issues and changes. For that reason we will regularly be inviting and including contributions from the seven electricity supply authorities and the five gas suppliers in the State.

In recognition of the extensive changes that have taken place, all electrical workers will receive a complimentary copy of this first edition. Registered gas fitters will receive similar information via a trade journal that covers WA gas regulatory news.

I hope that you find the new Bulletin interesting.

ALBERT KOENIG

DIRECTOR OF ENERGY SAFETY

The Office of Energy

The Office of Energy, established on 1 January 1995, provides policy advice to Government and coordinates economic and commercial matters in the West Australian energy sector. It also carries out technical and safety regulation of electrical and gas activities in the State, including those of the

energy suppliers.

The new Office was formed by the merger of functions and many of the resources, including staff, of the Energy Policy Planning Bureau and the Regulatory Services Branch at SECWA. Its role has been extended to undertake the functions required by the new *Energy Coordination Act 1994*. Some recruiting is still taking place, for specialist positions.

The agency's mission is to enable Western Australia's current and future needs, from and through the energy sector, to be achieved with a high level of efficiency and safety.

The Coordinator of Energy heads the Office of Energy, which has four Divisions, which can be briefly described as follows:

Policy and Agreements - to advise the Minister for Energy on the strategic energy needs of the State, and also in respect of matters associated with the government-owned utilities;

Industry Development - to assist business to participate and compete in the West Australian energy industry;

Energy Innovation - to promote the introduction of worthwhile energy use efficiency and renewable energy initiatives, and their research and development; and

Technical and Safety - to achieve the efficient and safe working of energy infrastructure and appliances through industry compliance with technical standards and to maximise the energy-related safety of consumers, workers and the community.

The Technical & Safety Division is headed by the Director of Energy Safety. In keeping with the above objectives, this Division:

- regulates and monitors technical and safety aspects of the production, transmission, distribution and use of energy,
- audits the compliance of electricity and gas suppliers and licensed operatives, against approved technical, safety and other regulatory requirements,
- develops new standards and recommended procedures in consultation with other jurisdictions and industry participants.

This work is based on the following legislation, which was amended to reflect the new industry structure:

- Energy Coordination Act and regulations,
- Electricity Act and regulations,
- Gas Standards Act and regulations,
- Liquid Petroleum Gas Act and regulations, and

-Gas Undertakings Act and regulations.

The Division therefore carries out the licensing of electrical and gas operatives (and provides the secretariat for the industry-based Electrical Licensing Board, for this purpose).

The inspection of consumers' electrical and gas installations continues to be the responsibility of the respective electricity and gas utilities. However, they must put systems in place to ensure safety, and report accidents and breaches of legislation to the Division, for follow-up action. The Division will audit these systems.

The Division does perform some inspections of installations itself, notably those not connected to a utility (eg. a motel along the Eyre Highway) and those of authorised independent power producers (who are not consumers but exporters) - or in the case of gas, those who do not obtain their gas from a utility.

Electrical inspections of mines in WA are also carried out by the Technical & Safety Division, on behalf of the Department of Minerals & Energy.

The **Coordinator of Energy** has statutory functions, particularly those relating to the authorisation of the provision of electricity and gas to the public/other consumers from suppliers other than Western Power or AlintaGas.

The Coordinator of Energy, the Policy & Agreements Division, the Industry Development Division and the Energy Innovation Division are located at:

- Office of Energy
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The **Director of Energy Safety** similarly has statutory functions defined, in the Acts and regulations listed above. These require the Director's agreement on various safety and technical matters, and they give the Director the power to take action to correct problems.

The Director also authorises all consumers' installation inspectors used by utilities and can deal with appeals against their decisions (however, requests for reviews should generally be made in the first instance to the relevant utility, in writing).

The Director of Energy Safety and the Technical & Safety Division are located at:

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Technical & Safety Division
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Authorisation for the Supply of Energy

- As stated earlier, there is already strong evidence of the changing nature of the WA energy market.
- New privately owned power generation facilities are being planned and built in a number of locations around the State. The Goldfields Gas Transmission Pipeline Project is providing the basis for some of these initiatives.
- As part of these changes we are seeing the establishment of a new category of electricity supplier - the authorised independent power producer, who has consent to supply one or more specific customers (which may include providing a bulk supply to the local utility), but doesn't operate a public network and thus doesn't have the broad obligations and powers of a utility (ie. supply authority).
- How are all these players authorised for their function? Is there a parallel on the gas side?
- The following is a brief summary of the answers to these questions:
- Electricity suppliers are authorised by the Coordinator of Energy under the provisions of Section 7 of the *Electricity Act 1945*. The Coordinator's consent can cover generating plant, transmission works, distribution works and connection to a supply authority's system. Alternatively, similar consent may be provided by a State Agreement Act, which is not uncommon for major projects (eg. Ord Hydro Project).
- In looking at any application for consent, the Office of Energy considers whether the proposal fits the following categories:
- **Utility category** (ie. supply authority) - which means the proponent will operate a transmission/distribution network installed in streets, for the purpose of electricity supply to the public generally. A wide range of powers and obligations apply to the operator, as set out in the *Act* and *Electricity Act Regulations 1947*. These utilities are registered annually by the Director of Energy Safety.
- **Authorised independent power producer category** - applies to those given consent to supply one or more specific customers either by dedicated lines, usually of short length, or to supply power in bulk to the local utility which operates the local network for public supply, or to wheel power to certain customers via the utility network (using

access rules and paying a fee for that transport facility). As this category of supplier doesn't operate a network, the powers and obligations associated with utilities are not applied.

- **Sole use self-generator category** - applies to those who have their own on-site generation, either for back-up purposes, partial load support or for total load support. If the power plant doesn't operate in synchronism with any utility system and is solely for own consumption, then consent is not required under Section 7 of the *Act*.
- It should be noted that in some circumstances, the purpose of a project may be for more than one category of supply.
- Gas suppliers are authorised by the Coordinator of Energy per the provisions of Section 55 (covering gas undertakings) and Section 56 (covering LPG suppliers) of the *Energy Corporations (Powers) Act 1979*.
- As for electricity, there are various categories of gas suppliers - **utilities** which operate networks, **independent gas producers** which export gas either directly to specific customers or via the local utility reticulation system and **self-use gas producers**.

Technical and Safety Requirements for Powerplant

The Office of Energy's Technical & Safety Division is regularly asked what rules or guidelines are in place regarding approval or acceptance of proposals for power plant eg. new gas-fired power stations being built by authorised independent power producers.

We advise industry as follows:

- as soon as practicable, provide to the Director of Energy Safety of the Office of Energy (OOE) a detailed statement listing the technical standards or codes intended to be used for the design or procurement of the various parts of the project and any planned departures therefrom, and if so, the reasons - and the Director will advise if this list is adequate and accepted; then later
- submit to the Director for perusal, outline details of those parts of the project that have potential safety implications (eg. typical powerline structure details, switchyard earthing schemes, gas control/shut-off facilities) to allow auditing of the designs against the list of standards, to the extent deemed appropriate to ensure the safety of the public and workers; and
- make the physical works available for inspection by the OOE inspectors, during the course of construction and commissioning; and
- comply with all orders issued by the Director or an OOE inspector (as provided for under the Energy Coordination Act 1994); and

- at completion of construction, before commissioning, forward to the Director a letter signed by one or more registered chartered professional engineer(s) certifying that the electrical and gas facilities as designed and constructed, comply with the standards and departures (if any) agreed to; and
- before commencement of operations, provide to the Director an outline of operational procedures and work practices intended to be used in respect of the works (which where relevant will need broad compliance with Part 9 of Electricity Act Regulations 1947), for auditing purposes, to ensure that safety requirements are satisfied.

Use of the above process should avoid the need to resolve major issues at the construction or commissioning stage.

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