

Network Outage Review

An independent review into the response of TasNetworks to the August 2024 storm events

Consultation Paper

December 2024



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1. Introduction

A period of severe weather in August 2024 resulted in storm damage to the State’s electricity distribution network causing widespread outages across the state, particularly in Tasmania’s north and north-west.

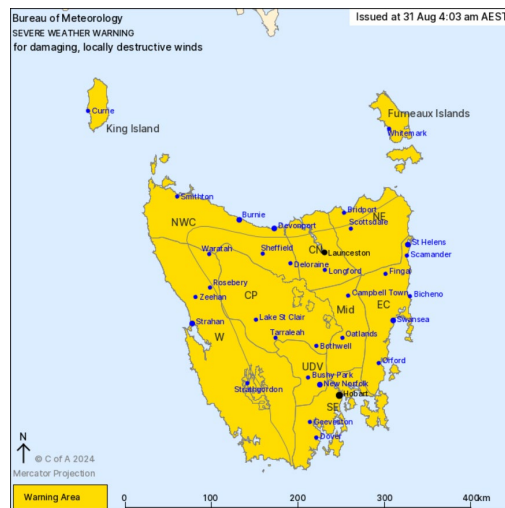
Between 26 August to 4 September 2024 the State was impacted by a series of cold front weather events. This was followed by less persistent but still hazardous conditions in the following week. This severe weather event brought high rainfalls and flooding, as well as significant wind gusts recorded at 156 km/h on Mt Reed and 131 km/h on Kunyanyi on the 28th of August.

The storm particularly impacted remote regions in the South, West and North West. It resulted in widespread damage across the entire north of the State, as well as damage to areas in the south, as shown in Figure 1.

Figure 1: Outage Map



Source TasNetworks



Source Bureau of Meteorology

Warnings for this event were published by the Bureau of Meteorology on 23 August indicating the event would be protracted. Heavy rainfall exacerbated the risk to electricity infrastructure by way of destabilising large trees exposed to sustained wind and peak gusts. The above chart issued by the Bureau of Meteorology demonstrates the significance of the event.

The severity of the damage caused resulted in the activation of the joint Australian Government-State Disaster Recovery Funding Arrangements, which among other things, allowed support to be provided to affected local communities and councils. The storm event has been described as a once-in-twenty-year event.

At its peak, over 47 000 electricity customers were disconnected, with in excess of 200 000 restorations of supply being undertaken by TasNetworks. Some customers remained without power for extended periods of time, with some being without power in excess of 7 days.

Given its physical distribution, and prolonged nature, restoring electricity supply to customers during this event was far from 'business as usual' for TasNetworks. The widespread and extended nature of the weather event placed significant pressure on the State's response capabilities.

On 11 September 2024 the House of Assembly, by Motion 52, called on the Minister for Energy and Renewables to establish an independent review into the response to the weather events of late August 2024. The Minister has appointed Mr Rhys Edwards (See section 3) to conduct an Independent Review into the operational responses to the extreme weather including contingency planning, timely and effective management of the incident, restoration of supply, and response and recovery activities to affected households, primary producers, businesses and communities.

2. What is the Purpose of this Consultation Paper?

Consultation is a critically important and highly valued contribution to the review process. The intended audience for this Consultation Paper is the general community and stakeholder groups, to assist their input into the Review.

The Terms of Reference have a particular focus on TasNetworks' operational response to the situation, and the Review team will use other avenues to obtain important information to address those matters. The Review team will also seek information directly from government agencies involved in emergency response and recovery.

The Tasmanian community and stakeholders have the opportunity to participate in this independent review through submissions made in response to the issues raised in this Consultation Paper by **Friday 30 January 2025**. This timetable reflects that the Review must be completed by 31 March 2025.

The outcomes from the Review will guide efforts to strengthen Tasmania's resilience and response capability for future severe weather events.

A Final Report on the findings of the Independent Review will be provided to the Minister for Energy and Renewables by 31 March 2025, and the Terms of Reference state that the Review will be made public within two weeks of it being received by the Minister.

3. Who is the Independent Reviewer?

Mr Rhys Edwards has been appointed to lead the Review and provide a final report to the Minister for Energy and Renewables by 31 March 2025.

He has a strong background in governance, energy policy, leadership, major project facilitation, social policy and economic development.

He had a long career in government including six years as Secretary of the Department of Premier and Cabinet in Tasmania. He is an experienced company director and is currently the Chair of UTAS InVent an early-stage commercialisation company, a Director on the board of the Blue Economy CRC Pty Ltd, a Director of Aurora Energy, a Director of the national Foyer Foundation and a Director of Swisherr. Rhys also has experience in a broad range of energy related matters, including:

- Appointed by the NSW government to chair a confidential review into distribution pricing and the Government's state-owned distribution business (2018)
- Commissioned by the Federal Minister for Energy and the COAG Energy Council to undertake a review of the National Energy Security Board (2020).
- A feasibility study to the Tasmanian Minister for Energy on the concept of the Tasmanian Renewable Energy Centre of Excellence (2021).
- Rhys was an adviser to the Tasmanian Energy Security Taskforce following the energy security issues faced during 2015-16 period of record low in-flows into the storage system and a failure of the Basslink interconnector.
- Rhys was also involved in Tasmania's entry to the National Electricity Market, the development of Basslink and the Tasmanian Natural Gas project.

Rhys undertook a review of Tasmanian emergency management arrangements in the wake of the Dunalley bushfires and the "Hyde" review. The review focused on detailing the high-level strategy, governance, structures and policies to deliver integrated and interoperable emergency management arrangements for Tasmania. Rhys is a Rhodes Scholar, a Fellow of the Australian Institute of Company Directors, a Salzburg Global Fellow and a member of the Economics Society of Australia.

Rhys is being supported in undertaking this review by a small secretariat provided by the Department of State Growth.

4. How Can You Get Involved?

Engagement with the Tasmanian community and stakeholders is an important and valuable input into the Review of the August 2024 Extreme Weather Event.

The analysis and findings of the Review will be strengthened by the submissions it receives.

To assist with the preparation of submissions, we have included questions throughout the Paper. Respondents need not feel obliged to answer all questions. We also welcome more general responses on matters you see as relevant to the Terms of Reference – just because we have not asked a question on a matter you think important does not mean that you can't provide us relevant information.

Submissions will be published on the [Renewables, Climate and Future Industries Tasmania website](#). Only your name or the name of the organisation making the submission will be made public.

Please tell us if you want to keep your submission, or any part of it, confidential. Material that is to be treated as confidential should be clearly identified. We will not publish submissions that are offensive or defamatory. For more information, please read the [Tasmanian Government Public Submissions Policy](#) (external link).

Any information provided to Government may be provided to an applicant under the provisions of the *Right to Information Act 2009* (RTI). If you tell us that you wish all or part of your submission to be treated as confidential, your statement detailing the reasons may be considered in determining whether to release the information in the event of an RTI application for assessed disclosure. You may also be contacted to provide any further comment.

You can contribute to the Review by making a written submission in response to the questions raised in this Consultation Paper to the following email address by **5.00 pm on Friday 30 January 2025**:

stormresponsereview@recfit.tas.gov.au

As the review progresses, the Independent Reviewer may also seek direct input from key parties on matters of interest including the results of any post-incident reviews that have been undertaken.

5. Review Terms of Reference

The Review is to include findings and recommendations on:

- a. Key causes of the electricity network outages.
- b. TasNetworks' organisational capacity to respond to severe weather events, including:
 - i. the adequacy of TasNetworks' staffing levels to respond to the severe weather event;
 - ii. TasNetworks' recruitment and retention strategy for staff, particularly those involved in reconnection after outages;
 - iii. regulatory or other barriers to TasNetworks' investment in staff development, training and disaster resilience;
 - iv. other factors that affected the ability for TasNetworks' to respond, including the availability of other resources.
- c. TasNetworks' procedures to identify and prioritise the restoration needs of its customers.
- d. TasNetworks' communication with affected customers after the severe weather event, including:
 - i. the adequacy of the tools and systems to communicate proactively with customers and external authorities, including SMS, call centres and effective information platforms and services, such as outage trackers.
- e. TasNetworks' interface with the community, local government and other agencies including:
 - i. involvement and participation in the Emergency Management Framework;
 - ii. the level of engagement with other agencies involved in support to the community during severe weather events;
 - iii. the successful coordination and delineation of roles and responsibilities.

The full terms of reference for the Review can be found at:

https://recfit.tas.gov.au/grants_programs/review-into-august-2024-extreme-weather-event

6. TasNetworks' Organisational Capacity to Respond to a Severe Weather Event

TasNetworks is Tasmania's sole electricity transmission and distribution network business. It operates and maintains the electricity transmission (high-voltage to substations and some large industrial users) and distribution (lower voltage power to homes, businesses and industry) networks in the State and provides telecommunications and technology services.

The Business is owned by the State of Tasmania and operates on a commercial basis, within a strong regulatory environment, and owns assets in the order of \$3.5 billion.

TasNetworks has prepared a Post Incident Review to its August Storm Response that the Review team has been provided access to.

The Independent Review would like to invite responses from stakeholder submissions to some or all of the following questions. For guidance, the questions relate to matters (a), (b) and (c) in the Terms of Reference.

The review is to include findings and recommendations on:

- a. Key causes of the electricity network outages.*
- b. TasNetworks' organisational capacity to respond to severe weather events, including:*
 - the adequacy of TasNetworks' staffing levels to respond to the severe weather event;*
 - TasNetworks' recruitment and retention strategy for staff, particularly those involved in reconnection after outages;*
 - regulatory or other barriers to TasNetworks' investment in staff development, training and disaster resilience;*
 - other factors that affected the ability for TasNetworks' to respond, including the availability of other resources.*
- c. TasNetworks' procedures to identify and prioritise the restoration needs of its customers.*

At the same time, the Review accepts that this particular part of the Terms of Reference is specific to TasNetworks and the Independent Reviewer will directly consult with TasNetworks and related parties on these areas.

6.1. Regulation of TasNetworks Costs

The Australian Energy Regulator (AER) performs a number of roles including the economic regulation of electricity transmission and distribution networks, this includes Tasmania's TasNetworks.

The AER states that its role is to, “...ensure that consumers pay no more than necessary for network infrastructure, which is charged to them as network and distribution costs in their electricity bills ...”

Network businesses, such as TasNetworks, submit revenue proposals to the AER for review and approval with the AER making its decisions based on factors including:

- efficiency of costs;
- quality of engagement with customers;
- projected demand for electricity;
- age of infrastructure;
- operating and financial costs; and
- network reliability and safety standards.

The AER’s decisions on the maximum revenue and prices that a network business (TasNetworks) can recover from customers generally apply for a 5-year period.

The outcomes from the AER regulatory process drives TasNetworks’ organisational capacity and resourcing to respond to severe weather events. At a high level, there is a direct relationship between the prices that customers pay and TasNetworks capacity to respond to increasingly more frequent severe storm events (both of a scale that can be reasonably expected to occur, and more damaging outlier events, like the August 2024 storm series).

It is noted that in the current economic climate, over the past several years there has been increasing community anxiety about electricity prices, and the importance of ‘downward pressure’ being applied to them.

Ultimately, there is a cost that flows to customers in terms of a trade-off between higher levels of preparedness and timely restoration response and the costs involved in maintaining that capability.

What incentives does TasNetworks face to minimise outages numbers and the duration of outages?

As part of the regulatory environment TasNetworks must operate under, TasNetworks must make payments to customers that experience a lengthy power outage or multiple outages in a 12-month period under its ‘power supply guarantee’ (also known as a GSL payment). The criteria for these payments reflect the different reliability standards that are applicable across different geographic settings that are relevant to the performance of the distribution networks (where higher density correlates with fewer expected outages and quicker restoration of supply).

Failure to maintain reliability within these requirements imposes a financial burden on TasNetworks that impacts on its profitability, and its returns to Government through dividends and tax equivalent payments. The Review will investigate how these performance standards impact on the overall Company financial performance.

Figure 2: Power Supply Guarantee payments for outage duration

Your installation category	Outage duration (hours)	
Urban and Regional Centres, High Density Commercial and Critical Infrastructure – generally customers located in the city areas of Hobart, Launceston, Burnie, Devonport and some other regional areas	>8	>16
High Density Rural – generally customers located in rural townships	>8	>16
Lower Density Rural – generally customers located outside the built up areas of cities and rural townships	>12	>24
Single outage duration payment	\$80	\$160

Figure 3: Power Supply Guarantee payment for frequency of supply disruptions

Your installation category	Number of outages (in any 12 months)
Urban and Regional Centres, High Density Commercial and Critical Infrastructure – generally customers located in the city areas of Hobart, Launceston, Burnie, Devonport and some other regional areas	10
High Density Rural – generally customers located in rural townships	13
Lower Density Rural – generally customers located outside the built up areas of cities and rural townships	16
Frequency of outages payment	\$80

Source TasNetworks

What is the level of community resilience to power outages?

Operators of electricity transmission and distribution networks cannot guarantee the supply of electricity 100 per cent of the time. The network can sustain damage from a range of areas including severe weather, car accidents, bushfire, equipment breakage etc.

A level of preparedness for outages is evident in the Tasmanian community and the Review would like explore what level of resilience and preparedness the community – both individuals and business - is providing such as through private generators, continuity plans etc.

Another aspect the Review is seeking to understand is how local government and other parties see their role in building upon resilience measures implemented by households and business when electricity supply disruptions of an extended nature arise.

Life support customers

TasNetworks has a class of customers who rely on electricity for life support purposes. It is understandable that a continuous supply of power is important to Life Support Customers. The Review team understands that TasNetworks has established processes in place for Life Support Customers to register the address of their equipment with their electricity retailer, or TasNetworks itself.

It is also understood that in the case of unplanned electricity outages TasNetworks asks life support customers to contact its customer call centre so that it can have the power restored as soon as it is able, allowing for events outside of its control.

The Independent Reviewer would appreciate the views of members of the community on the following questions.

Questions for stakeholders

1. Are you aware of the AER's process for setting the maximum revenue and prices that an electricity network business, such as TasNetworks, can recover from its customers? Do you have an opinion on how suitable this regulatory framework is for supporting the response of electricity network businesses respond to increasing risk of severe weather impacts?
2. Have you participated in the AER's stakeholder consultation stages, and/or provided feedback on any of TasNetworks' revenue proposals?
3. How do households and businesses prepare for electricity outages that are long in duration?
4. With the trade-off between the price of electricity and the level of preparedness afforded to TasNetworks under the Australian Energy regulator's pricing framework, what is your expectation on the level of electricity outages from severe weather events?
5. Do customers have a view on wanting higher levels of resilience and reliability from TasNetworks, which comes with an associated cost, or is this an area for the resilience of customers to be improved?
6. What planning and preparedness does TasNetworks have in place for life support and vulnerable customers to minimise impacts during high outage events?
7. What was your experience as a TasNetworks life support customer? What worked well and what areas need improvement? Do your usual backup plans for electricity outages work when the outages are for a prolonged period?
8. Does TasNetworks adequately identify and prioritise the needs of its customers? As a customer, or a customer representative, are you able inform TasNetworks about reconnection priorities? What level of input do you think is appropriate before, during and after an event?
9. Are there any other issues, outside of communication which is discussed in the next section, about your experience of the

August 2024 weather event and power outages that haven't been captured by the above questions?

7. TasNetworks' Communication with affected Customers and Interface with the Community and Local Government.

TasNetworks services 295 000 customers - a record number of which were impacted by power outages during the August 2024 Severe Weather Event. At the peak of the storm series, there were 228 outages resulting in approximately 47 000 customers without power.

Over 200 000 customer connections were restored during the response period, with some customers experiencing multiple outages.

Due to the severity of the storm series, some customers in more remote communities experienced outages for up to 20 days.

Timeliness and accuracy of customer communications

The provision of timely and accurate information to the community is of high importance during high and prolonged electricity outage events. At least two elements appear critical – customers want to **know** that TasNetworks is aware of the outage and have plans to address it, and **when** power is expected to be restored. Armed with that information in an accurate and timely way, customers have a much better opportunity to manage their own resilience.

TasNetworks has a range of approaches to communicating and interacting with its customers during an event including an outage tracker, SMS, and its customer call centre.

Effective communication is essential for ensuring public safety and should see that the right messages are delivered to the right customers, at the right time.

The Independent Review would like to invite responses to some or all of the following questions.

Again, the Review accepts that particular parts of the Terms of Reference are specific to TasNetworks and the Independent Reviewer will directly consult with TasNetworks and related parties on these areas.

Importantly, general responses on any area of the Terms of Reference are welcomed from the community.

For guidance, the following questions relate to matters (d) and (e) in the Terms of Reference.

The review is to include findings and recommendations on:

d. TasNetworks' communication with affected customers after the severe weather event, including:

- the adequacy of the tools and systems to communicate proactively with customers and external authorities, including SMS, call centres and effective information platforms and services, such as outage trackers.*

e. TasNetworks' interface with the community, local government and other agencies including:

- involvement and participation in the Emergency Management Framework;*
- the level of engagement with other agencies involved in support to the community during severe weather events;*
- the successful coordination and delineation of roles and responsibilities.*

Questions for stakeholders

10. How did you find the timeliness and accuracy of TasNetworks' communications to impacted customers during the extreme weather event?
11. Were information platforms available and effective such as SMS, call centre and outage trackers?
12. Was the information provided consistently across platforms?
13. Should other communication channels, such as social media, be utilised to a greater extent during emergency events?
14. What was your overall experience as an impacted customer? What worked well and what areas need improvement?
15. How could there be better coordination, before, during and after an emergency event?
16. Are there any other communications issues about your experience of the August 2024 weather event and power outages that hasn't been captured by the above questions?

8. Other matters

Given the intended audience for this Consultation Paper, the Review Team has sought information on matters that the general community might have useful insights on. For example, there are no questions specifically on Terms of Reference matter (a) – the causes of the electricity network outages, as this is information we believe we can best seek from TasNetworks (as the operator of the network).

This is not intended to preclude anyone providing any material they consider relevant to the Terms of Reference.

Question for stakeholders

17. Do you have a comment, or general response, on any area of the Terms of Reference not specifically addressed in this paper?

The Review would like to receive your views.

9. Next Steps

You can contribute to the Review by making a written submission on questions raised in this Consultation Paper to the following email address by 5 pm on **Friday 30th January 2025**: This timing has been set because of the need for the Review to be finalised before the end of March 2025.

stormresponsereview@recfit.tas.gov.au

To assist with the preparation of submissions, we have included questions throughout the Paper. Respondents need not feel obliged to answer all questions. We will also welcome more general responses.

Submissions will be published on the [Renewables, Climate and Future Industries Tasmania website](#). Only your name or the name of the organisation making the submission will be made public.

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The analysis and findings of the Review will be strengthened by the submissions it receives.

The Independent Reviewer will consider written submissions received from the community and stakeholders, in addition to post-incident review reports prepared by relevant parties involved in the response to the August 2024 Severe Weather Event.

The outcomes from the Review will guide efforts to strengthen Tasmania's resilience and response capability for future severe weather events.

A final report will be provided to the Minister for Energy and Renewables by 31 March 2025.

10. Summary of Stakeholder Questions

Questions for stakeholders

1. Are you aware of the AER's process for setting the maximum revenue and prices that an electricity network business, such as TasNetworks, can recover from its customers? Do you have an opinion on how suitable this regulatory framework is for supporting the response of electricity network businesses respond to increasing risk of severe weather impacts?
2. Have you participated in the AER's stakeholder consultation stages, and/or provided feedback on any of TasNetwork's revenue proposals?
3. How do households and businesses prepare for electricity outages that are long in duration?
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16. Are there any other communications issues about your experience of the August 2024 weather event and power outages that hasn't been captured by the above questions?
17. Do you have a comment, or general response, on any area of the Terms of Reference not specifically addressed in this paper?

The Review would like to receive your views.