EMERGENCY PROCEDURES (GAS)

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AEMO
AUSTRALIAN ENERGY MARKET OPERATOR

VERSION	DATE	BY	CHANGES
7	Feb 2015	M Bracksley	Periodic Update
6	Feb 2011	D Sanford	Legislative and rule changes, VENCorp to AEMO update
5	Feb 2008	K Thomson	Reviewed and Published
5	Nov 2006	P Mason	Periodic update
4	Feb 2004	Barry Clough	Updated to reflect changes in GEMG and GEMCF
3	Aug 2003	M Riley	Updated to correct incorrect reference in Section 7.1
2	Mar 2003	M Riley	Updated to reflect changes in legislation and general edits
1	Mar 2001		Initial Release

The following AEMO sub delegations apply to this procedure:

Written directions to a Registered participant, in accordance with the National Gas Law (NGL) section 91BC and National Gas Rules (NGR): 333 (1), (3), (4), (6) and (7), 337(2), 339 (1), 341, 342, and 343 can be made by the AEMO Chief Executive Officer; the Chief Operations Officer Group Manager Real Time Operations; or the Senior Manager Gas Real Time Operations. In their absence their nominated representative may provide written directions to a Registered participant, in accordance with the National Gas Law section 91BC and National Gas Rules: 333 (1), (3), (4), (6) and (7), 337 (2), 339 (1), 341, 342, and 343.

In the unlikely event that none of these representatives are available, the Gas Duty Manager can provide written directions.

Approved

Matt Zema

Chief Executive Officer Managing Director

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1 INTRODUCTION

The Emergency Procedures (Gas) are designed to enhance the Australian Energy Market Operator (AEMO) and industry's ability to manage the preparation for, response to and recovery from gas emergencies in Victoria. The Procedures have been developed in accordance with the relevant legislative and administrative instruments, and are underpinned by the principles of maintaining the reliability of gas, maintaining security of the gas transmission system, and minimising the risk to public safety.

1.1 Gas Emergency Protocol

The Emergency Procedures form part of the Gas Emergency Protocol (the Protocol), as defined in section 56 of the National Gas (Victoria) Act 2008. The Protocol consists of:

- Emergency Procedures (Gas).
- Gas Load Curtailment and Gas Rationing and Recovery Guidelines.
- Wholesale Market System Security Procedures.

1.2 Legislative and Administrative Authority

The Procedures have been developed in accordance with:

- Section 53(1) of the National Gas (Victoria) Act 2008 which commits AEMO to make and keep up-to-date a Gas Emergency Protocol.
- Section 53(4) which requires AEMO to have regard to the economic and social needs of the Victorian community in making a Gas Emergency Protocol.

AEMO will consult with the Minister for Energy and Resources (or another responsible Minister), Energy Safe Victoria and Registered Participants in the making and review of this document.

1.3 Definition of an 'Emergency'

The definition of emergency is contained in NGR 333. Under this rule an emergency occurs when AEMO reasonably believes there to be a situation which may threaten:

- Reliability of gas supply.
- System security or the security of a declared distribution system.
- Public safety.
- AEMO in its absolute discretion considers that the situation is an emergency and declares there to be an emergency.
- AEMO declares there to be an emergency at the direction of a government authority authorised to give such directions.

AEMO will declare an emergency, under NGR 333, when AEMO reasonably believes the emergency meets the criteria for a Level 5 emergency as described in section 2.5 of these procedures.

This document establishes the Emergency Procedures that provide a framework for Registered Participants to develop their individual Safety Procedures whilst adopting a uniform industry approach to emergency management.

1.4 Obligation on Registered Participants for Emergency Planning

Under Part 19, Division 5, Subdivision 2 of the NGR, Registered participants have specific obligations with respect to emergency planning. These include:

- The provision of information to AEMO, including emergency contact details and operational information during an emergency.
- Ensuring staff, and where relevant customers, are aware of the Emergency Protocols.
- In developing their own safety procedures, ensuring they are consistent with the Emergency Protocol.

1.5 References

Gas Industry Act 2001

Gas Safety Act 1997

National Gas (Victoria) Act 2008

National Gas (South Australia) Act 2008

National Gas Rules Version 16 March 2013

Emergency Management Act 1986

Emergency Management Act 2013

Emergency Management Manual Victoria

AEMO Operational Delegations (effective 18 June 2012)

Emergency Management Amendment (Critical Infrastructure Resilience) Act 2014

2 LEVELS OF GAS EMERGENCIES

The Procedures classify emergencies into 5 levels. They are based on industry agreed descriptions of the scale of an emergency and do not constitute an authority for the commitment of resources, or abrogate AEMO's or a Registered Participant's contractual or legal obligations with respect to dealing with an emergency. They are merely an agreed description to contextualise the scale of emergency, expertise and response required to combat an emergency.

Any directions issued by AEMO during an emergency will be in accordance with section 4 of these Procedures.

A full description of the emergency levels is attached at Annex A.

2.1 Level 1 - Site Asset-Based Emergency

Can be dealt with by the site resources without any additional assistance. There is no injury, environmental impacts, or involvement of the Emergency Services beyond routine response, there is minimal customer impact, and no adverse publicity.

A Site Manager manages this level of emergency. This level of emergency does not need to be declared, it exists as part of normal operations.

2.2 Level 2 - Operational Response – Single Industry Participant

May involve minor injury, have environmental impacts, result in minor loss of supply, and may have minor business continuity or Information Technology impacts, and may attract some adverse publicity.

This level of emergency requires the mobilisation of an operational Emergency Controller, normally a Senior Manager and will require direct notification of a Duty Manager who may elect to manage the emergency as the Emergency Controller.

During normal working hours an Operations Manager or Emergency Controller is responsible for declaring a Level 2. For an emergency outside normal working hours an Operations Duty Officer or Emergency Controller is responsible for declaring a Level 2 event.

2.3 Level 3 - Operational and Management Response – Single Industry Participant

Could involve substantial risk of serious injury or death, may have serious environmental impacts, result in serious loss of supply, and may have serious business continuity or information technology impacts, and may attract adverse publicity.

This level of emergency demands the attention and mobilisation of both Operational and Executive management to combat the impacts of the emergency. A Senior Manager, or after hours a Duty Manager is responsible for declaring a Level 3 event.

2.4 Level 4 - Impacts Multiple Industry Participants

An emergency that has escalated to the extent that the impacts of the emergency are beyond a single distribution company or a transmission company.

The overall system safety and integrity is not in jeopardy but the impacts are such that they require the joint response of two or more companies (distribution or transmission) to combat the event. Generally an Executive level manager is responsible for declaring a Level 4 event in conjunction with the other entity's equivalent.

2.5 Level 5 - System Wide Threat, Public Safety iIssue or Powers Invoked by Energy Safe Victoria or the Governor in Council

An emergency which has escalated to the extent that:

- Energy Safe Victoria (ESV) or AEMO reasonably believes that there is a situation which requires them to declare an emergency.
- The Governor of Victoria acting in Council declares an emergency under Part 9 of the Gas Industry Act 2001 on the recommendation of the Minister for Energy and Resources or Responsible Minister.
- ESV or the Director of ESV issues a direction under section 106 of the Gas Safety Act 1997.

Where AEMO, the Director of ESV or the Victorian Government believes a Level 5 emergency is likely to exist for a substantial span of time, involve resources beyond the supply capacity of the industry and have widespread impact on the community, AEMO will recommend to the Minister for Energy and Resources or the Responsible Minister and his/her Department that the Governor in Council be requested to proclaim an emergency under Part 9 of the Gas Industry Act 2001.

2.6 Threat to System Security

As established in NGR 205, AEMO has implemented procedures to operate the declared transmission system in a way that averts or minimises Threats to System Security. A Threat to System Security can occur at any level, and may impact the transmission system partially, or as a whole.

The gas transmission system operates in a safe and reliable manner when all of the following conditions are being met:

- The system is operated within the requirements of the Gas Quality Guidelines and breaches in gas quality do not require further AEMO intervention.
- In AEMO's reasonable opinion there is no threat to the public safety or to the supply of gas to Victorian customers.
- System pressures and flows are within, and forecast to be within (given the observed and anticipated rates of change) the agreed operating limits specified in the Wholesale Market System Security Procedures.

Due to the nature of the conditions to operate the system in a safe and reliable manner, there is no direct relationship between the Gas Emergency Levels defined in the previous section and the declaration of a Threat to System Security.

There is no requirement for AEMO to have a gas emergency at a certain level (e.g. 1, 2, 3 or 4) before declaring a Threat to System Security.

3 EMERGENCY MANAGEMENT STRUCTURES

There is a multi-agency framework for broader emergency management in Victoria, which enables all organisations to exercise their roles and responsibilities. Some elements of the structure are legislated; others have been established by agreement. A summary of these arrangements is included below to assist participants to understand both gas specific emergency arrangements and the broader Victorian arrangements for emergency management.

3.1 Management of Gas Emergencies in Victoria

Gas emergencies in Victoria are managed through these multi agency structures as well as industry specific arrangements, including individual organisation emergency management procedures. The objective of these gas industry processes is to manage the emergency at the lowest possible level, to achieve a safe and secure supply of gas to Victoria.

It should be noted that where a broader emergency affecting the community occurs, the management of the gas related issues as part of the emergency will still be managed through industry arrangements. These arrangements will dovetail into the Victorian emergency management structures detailed in Section 3.2.

3.2 Victorian Emergency Management Arrangements

Victorian gas industry emergency management arrangements are derived from parts of the Gas Industry Act 2001, Gas Safety Act 1997, National Gas Victoria Act 2008 and Part 19 of the National Gas Rules.

The Emergency Management Act 1986 and the Emergency Management Act 2013 defines most of Victoria's emergency management structure, assigns significant roles and responsibilities, and provides for special needs concerned with the management of emergencies. The Act describes its objective as being: "to ensure that 'prevention, response and recovery' are organised within a structure which facilitates planning, preparedness, operational co-ordination and community participation".

Supporting the Act is the Emergency Management Manual Victoria (EMMV). The EMMV contains policy and planning documents for emergency management in Victoria, and provides details about the operational and support roles different organisations play in the emergency management arrangements, including those arrangements specifically related to gas emergencies.

The EMMV can be located online at: **http://www.emv.vic.gov.au/policies/emmv/**

3.2.1 Role of the Minister

The Minister for Energy and Resources:

the Minister for Energy and Resources is responsible for making a recommendation to the Governor in Council for the use of Gas Emergency Powers under the Gas Industry Act (2001). Under Part 9 of the Gas Industry Act (Victoria) once proclaimed by the Governor, the Minister may give any direction to ensure the safe supply of gas or regulate the available supply of gas.

3.3 Victorian Government Top-level Structures

A significant element of the structure not mandated in legislation is the Security and Emergencies Cabinet Committee (SECC). These committees provide the decision making and coordination support during emergencies in Victoria.

Information and advice provided from the gas industry during an emergency is provided to these two committees which act upon the advice and provide direction in the management of the emergency.

3.3.1 Security and Emergency Management Cabinet Committee

The Government has established a Cabinet committee, the Security and Emergency Management Committee of Cabinet (SEMC) – to oversee 'whole of government' decision making during a large-scale emergency. The SEMC

is chaired by the Premier, and includes representation from the Minsiter for Energy and Resources. It is not the role of SEMC to manage the deployment of police and emergency services.

3.3.2 Emergency Management Victoria

Emergency Management Victoria was established in 2014 with the following functions:

- The agency responsible for the coordination of whole of government policy for emergency management in Victoria.
- Provide policy advice to the Minister in relation to emergency management.
- Implement emergency management reform initiatives given to EMV by the Minister.
- Provide support to the Emergency Management Commissioner.

3.3.3 Emergency Management Commissioner

The Emergency Management Commissioner is responsible for the coordination of all agencies with roles or responsibilities in relation to the response to class 1 or 2 emergencies, including ensuring that adequate control arrangements are in place. The emergency management commissioner is responsible for the consequence management of a major emergency, the coordination of recovery and leading the implementation of the strategic action plan prepared by the SCRC.

A class 1 emergency is a major fire or any major emergency where the MFB, CFA or Victoria SES are the designated control agency. All other emergencies are 'class 2'.

3.3.4 State Emergency Response Plan

The State Emergency Response Plan outlines:

- The agencies that are responsible for responding to a particular emergency (the Control Agency).
- The coordination of agencies in support of a control agency.
- The roles of agencies in the event of an emergency.

3.3.5 State Emergency Management Team

The role of the SEMT is to:

- Facilitate a discussion to enable agencies to develop a consistent situational awareness regarding the emergencies affecting the state.
- Identify strategic state risks and consequences and plan the actions of agencies to manage these risks and consequences.
- Support the EMC to develop a state strategic plan for the management of the emergency, outlining high level actions of all agencies.

3.4 Gas Industry Emergency Management Structures

Where possible, the Victorian gas industry uses existing management structures to support its emergency preparedness and response activities. These structures are supported by well practiced, agreed and understood communication processes including the Victorian Energy Emergency Communications Protocol and the Single Industry Spokesperson Protocol.

While every endeavour is made to manage an emergency at the lowest level, there are several committees that play an active role in either the preparedness for emergencies (the Gas Emergency Management Consultative Forum), or in response to them (the Energy Industry Response Committee, and the Gas Emergency Management Group).

3.4.1 Energy Industry Response Committee

The Energy Industry Response Committee (EIRC) is chaired by the Executive Director Energy and Security, Department of Economic Development, Jobs, Transport and Resources (DEDJTR). It is formed to vet the operational strategy and possible use of emergency powers as well as provide strategic advice to government on the impacts and response to a gas Level 5 emergency. The members of the group are:

- The Executive Director Energy and Security, DEDJTR (or delegate) as Chair.
- The Director of Energy Safety, ESV (or delegate).
- The Chief Executive Officer of AEMO (or delegate).

DEDJTR provides secretariat services when the EIRC is convened, including notification of the meeting.

3.4.2 Gas Emergency Management Group

The Gas Emergency Management Group (GEMG) co-ordinates and plans the gas industry's response to and recovery from an extended gas emergency, normally at a Level 5. The GEMG will provide the principal consultation path between the Government and the gas industry during a gas emergency. The members of the group are as follows:

- The Director of Energy Safety, ESV (or delegate) as Chair.
- The Chief Executive Officer of AEMO (or delegate).
- Invited Chief Executive Officers or General Managers from affected entities as determined by the Chair in consultation with AEMO.
- Other invitees as appropriate.

In consultation with AEMO, the Chair of GEMG will convene a meeting and invite the attendance of relevant gas companies and prepare an agenda for the meeting. The considerations as part of the proceedings may include, but are not limited to:

- The current operating strategy and implications of options including curtailment and rationing.
- A strategy to combat the overall emergency.
- Safety issues.
- Recovery and relight strategy.
- The supply and demand situation and alternative arrangements.
- Public relations/media strategy and general communications requirements.
- Matters related to mutual aid between organisations.

The GEMG may establish working groups, consisting of appropriate persons to provide specialist advice or other support and to assist it in considering matters.

AEMO will provide secretariat services when the GEMG is convened, including notification of the meeting through the AEMO Emergency Management Services Division.

The GEMG Terms of Reference is attached in Annex B.

3.4.3 Gas Emergency Management Consultative Forum

The Gas Emergency Management Consultative Forum (GEMCF) is a planning and coordinating forum of industry representatives convened by ESV and AEMO to consider issues relating to the effective management of emergencies related to the Victorian gas system.

The GEMCF has **no** role during the response to and recovery from a declared emergency.

The GEMCF reports its activities to the Director of Energy Safety, ESV, the Chief Executive Officer of AEMO and the CEOs of Registered participants (or their representatives).

The functions of the GEMCF include:

- Consider procedural development and changes required for emergency response levels 4 and 5, defined in these Emergency Procedures.
- Provide a forum for consultation and involvement in developing or unifying emergency procedures.
- Provide a forum to coordinate the initiation and undertaking of emergency response exercises involving more than one organisation and other emergency response stakeholders (e.g. government, stakeholders in the EMMV, etc).
- Provide a forum to consult each year regarding the preparation and availability of an emergency curtailment list.
- Make representations to AEMO regarding desired or proposed amendments to the NGR relating to emergency response management.

ESV chairs the GEMCF and AEMO provides secretariat support. The GEMCF is open to all gas companies registered with AEMO under the NGR, ESV and the DEDJTR, plus other organisations required to submit a Safety Case under the Gas Safety Act 1997.

A copy of the GEMCF Terms of Reference is attached at Annex C.

3.4.4 National Gas Emergency Response Advisory Committee

Where an emergency impacts or may impact multiple jurisdictions, AEMO's response in Victoria will be managed in collaboration with the National Gas Emergency Response Advisory Group (NGERAC).

During a major national gas supply shortage, NGERAC will be the prime, but not necessarily the exclusive source of advice for energy ministers and jurisdictions on efficient and effective responses to and management of major natural gas supply shortages (including the use of Emergency Powers). This advice, which is to be consistent with maintaining the integrity of the gas supply system and public health and safety may include, but is not limited to:

- Voluntary usage reductions (market or contract based), commercial arrangements and other measures for implementing usage reductions which can lessen or avoid the need to mandate reductions under Emergency Powers.
- Any actions to reasonably mitigate threats to gas system integrity and/or public health and safety caused by major natural gas supply shortages.
- Options for rationing gas supplies within jurisdictions.
- Options for sourcing additional gas supplies where spare production and/or transmission capacity (firm or non-firm) may be available.
- Options for gas sharing arrangements between inter-connected jurisdictions.
- Any other matter NGERAC considers relevant to the management of the gas supply system in the event of major gas supply shortages and related risk management strategies.
- Such other functions concerning natural gas supply shortages and their management as may from time to time be agreed by the energy Ministers who are members of the Ministerial Council for Energy.

In the event of a major multi-jurisdictional natural gas supply shortage however, commercial arrangements are to operate as far as possible to balance gas supply and demand as well as maintaining system integrity.

Additional information on NGERAC and its processes can be located in the NGERAC Interruption to Supply Process available from the Australian Government Department of Industry.

3.5 AEMO Emergency Management Structures

AEMO uses its existing management structures and the process detailed in section 3.6.1 of the Emergency Procedures when preparing for, responding to, and recovering from gas emergencies in Victoria. In particular, AEMO uses the following:

- Incident Coordination Team (Levels 1 and 2) consisting of:
    - Gas Real Time Operations (Gas Operations Engineers, Specialist Gas Support Analysts).
    - Senior Manager Gas Real Time Operations (or Gas Duty Manager after hours).

    - The Emergency Management Services Division.
- Incident Coordination Team (Level 3) consisting of:
    - Gas Real Time Operations (Gas Operations Engineers, Specialist Gas Support Analysts).
    - Senior Manager Gas Real Time Operations (or Gas Duty Manager after hours).
    - Group Manager Real Time Operations.
    - Emergency Management Services.
    - AEMO Media and Stakeholder Services.
    - Chief Operations Officer.
- Crisis Management Team (Level 4 and 5) consisting of:
    - Chief Executive Officer.
    - Chief Operations Officer.
    - Executive Leadership Team members.
    - Emergency Management Services team.
    - AEMO Media and Stakeholder Services.
    - Other subject matter experts as required.

AEMO's emergency management structures are underpinned by a range of internal policies, procedures and communications platforms that are tested on an ongoing basis through routine procedural testing, or annual emergency exercises.

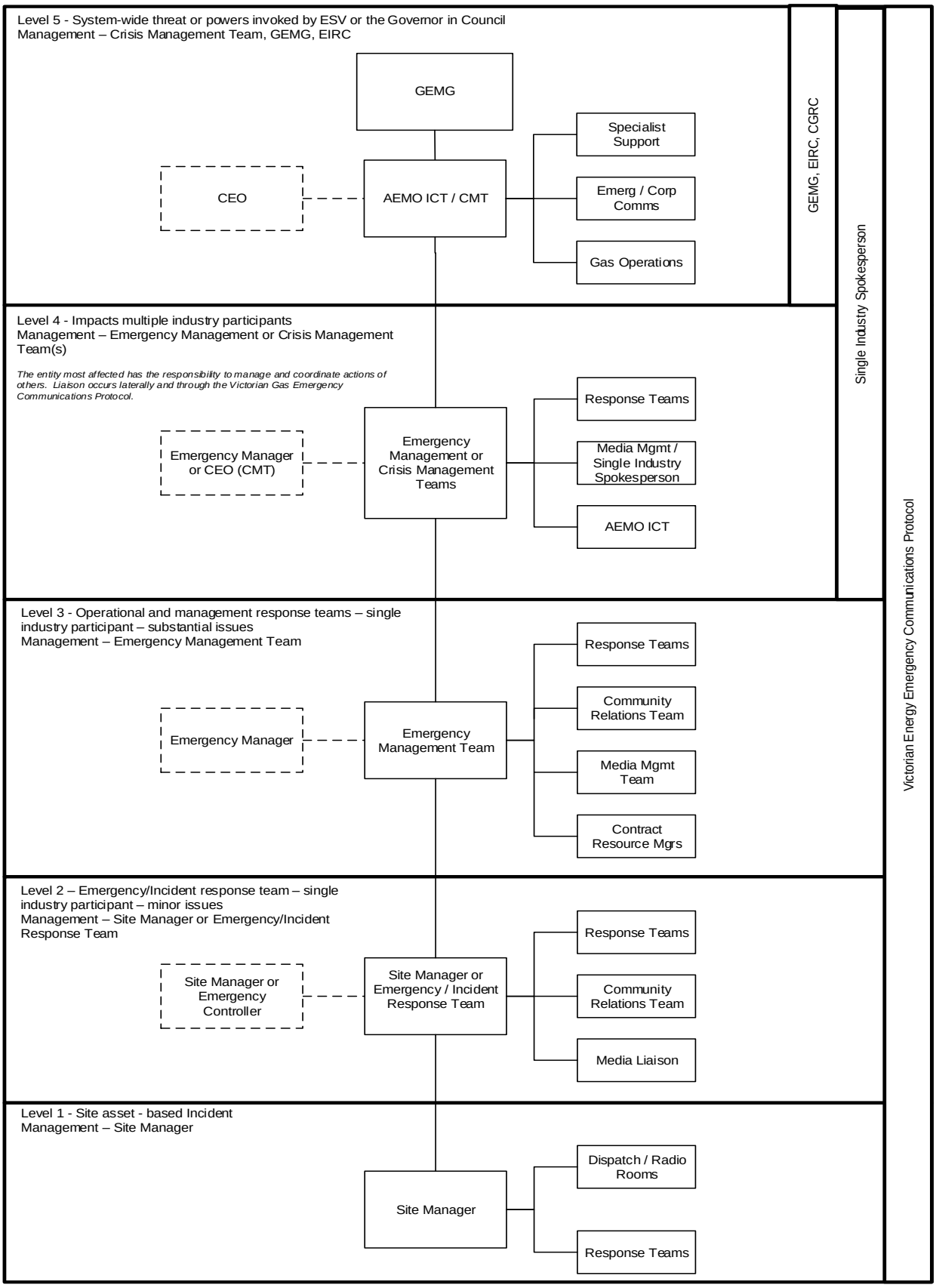
3.6 Industry Registered Participant Emergency Management Structures

The following identifies the generic structures for gas industry Registered participant's emergency management arrangements. While each entity may have minor nuances with respect to the configuration or naming of their teams at different levels, they are generally aligned with the following:

- Emergency Response Team or Incident Response Team (Levels 1 and 2).
- Emergency Management Team (Level 3).
- Crisis Management Team (Level 4 and 5).

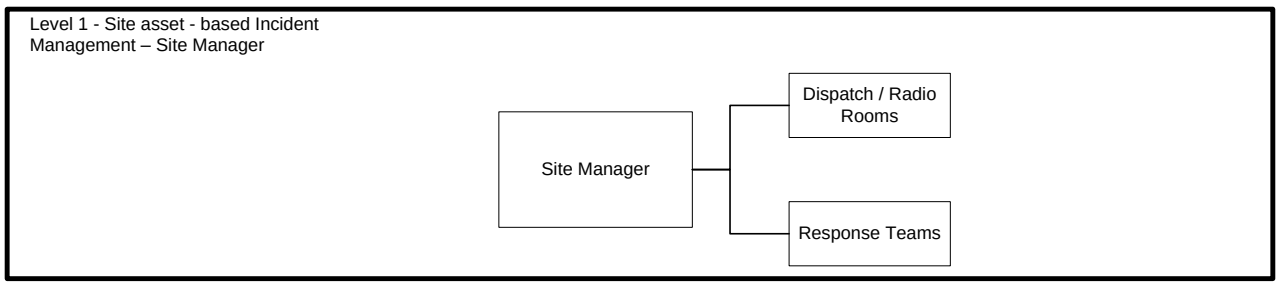
The diagram in 3.6.1 outlines the generic structures that are adopted across the broader gas industry in Victoria and their correlation to a respective level of emergency.

3.6.1 Gas Emergency Management Structures and Levels



3.6.2 Site Managers

Site Managers are generally responsible for all physical actions required to repair and restore an asset safely, efficiently and effectively into service at the physical location of an emergency. This type of response is considered part of normal operations and the Site Manager provides coordination of resources, including liaison and co-operation with local emergency services.



3.6.3 Incident or Emergency Response Team

An Incident or Emergency Response Team is led by an Emergency Controller, normally a senior manager, who has two primary functions:

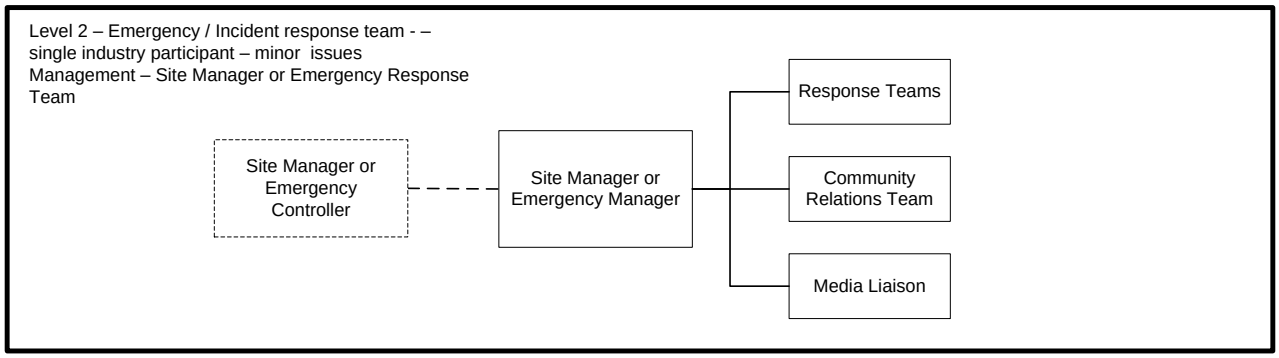
- To ensure that any additional resources and expertise required by the Site Managers are adequately provided.
- To provide the technical expertise and coordination between entities and external agencies at the operational level.
- To ensure company load shedding operations can be implemented as required.

External agencies that the Emergency Response Team might liaise with include:

- Mutual aid organisations and resources.
- Regional government agencies and authorities.
- Emergency services commanders.

Within AEMO, the Emergency Response Team is led by Senior Manager Gas Real Time Operations and is supported by the Emergency Management Services team. The Emergency Response Team has two primary functions:

- To ensure that the impacts of the event are monitored and that any additional performance information, advice, systems adjustments and operations in support of the event Participants is provided.
- At Level 5 Emergencies to provide the technical expertise and coordination between entities and external agencies at the operational level.



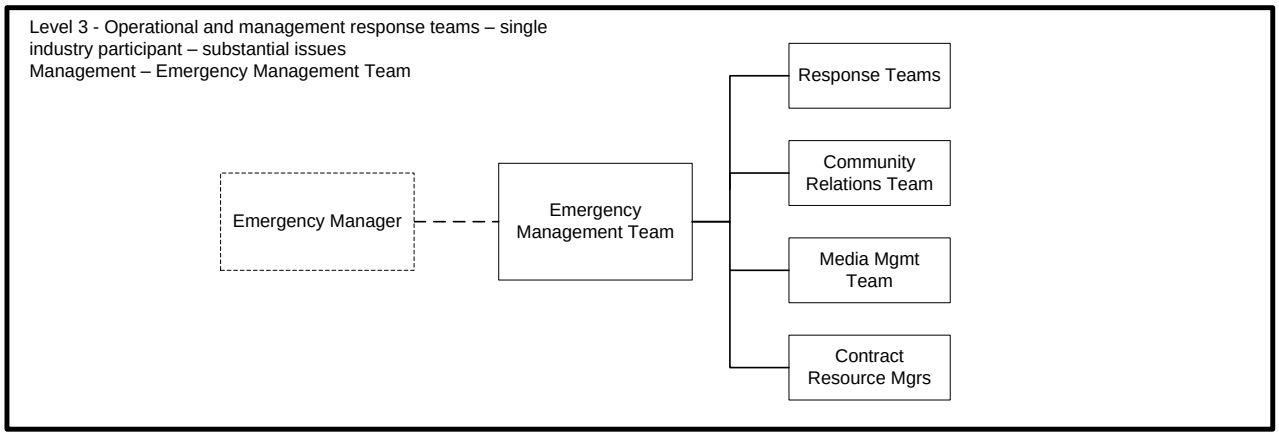
3.6.4 Emergency Management Team

The Emergency Management Team is led by the company Emergency Manager, generally a member of the Executive, and has two primary functions:

- To ensure an appropriate operational response is provided by the Incident or Emergency Response Team(s).
- To provide the business and functional expertise required to combat the broader issues that evolve from the event and to provide the coordination between entities and external agencies at executive level.

Within AEMO, the Incident Coordination Team is led by the Incident Coordinator and has three primary functions:

- To ensure an appropriate operational response is provided by the AEMO.
- At Level 5 Emergencies to provide the business and functional expertise required to combat the broader issues that evolve from the event and to provide strategic direction, review and the coordination between entities and external agencies at executive level.
- To ensure that supply strategies and options are prepared for the GEMG to consider through the Chief Executive Officer.



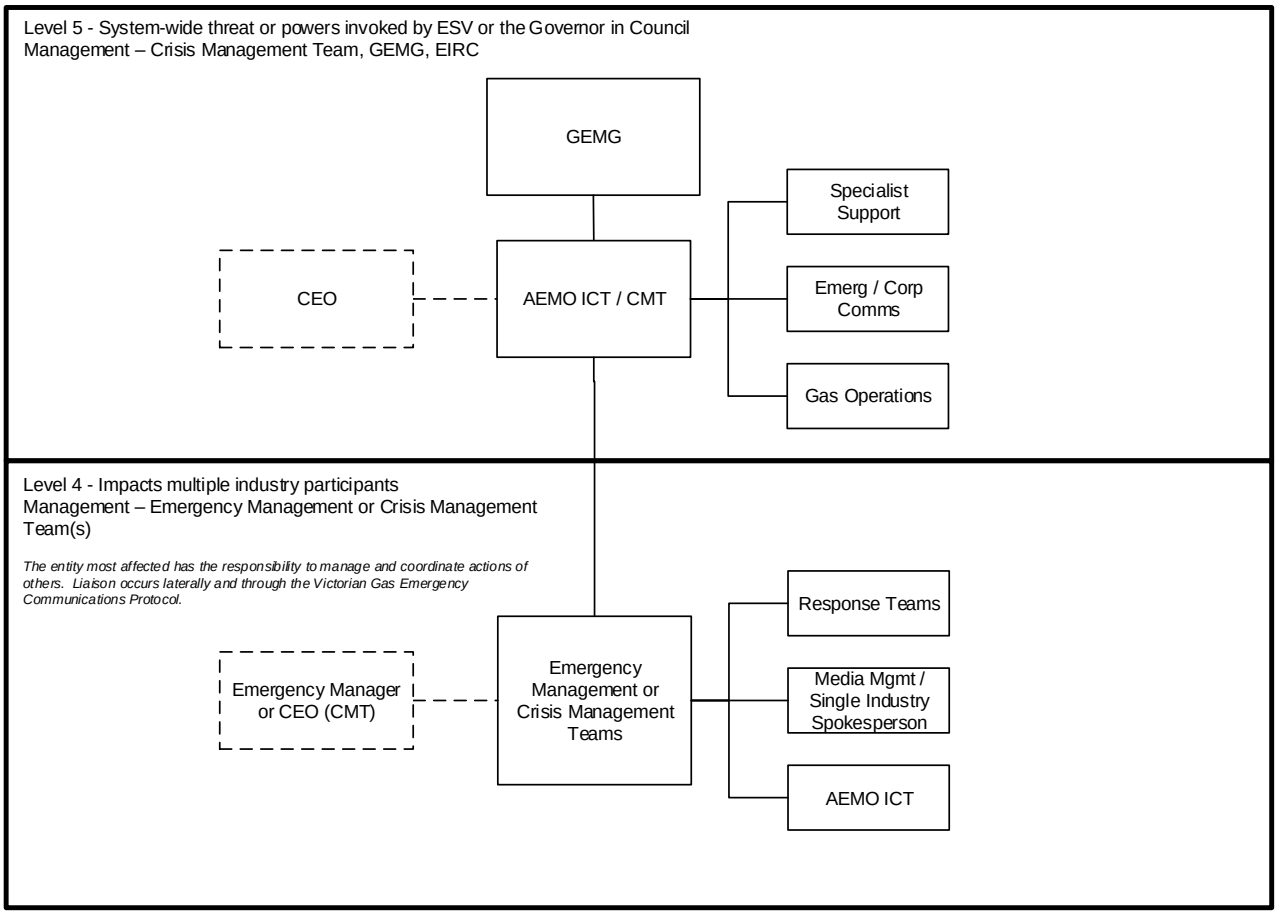
3.6.5 Crisis Management Teams

The Crisis Management Team is generally led by the Chief Executive Officer, and has two primary functions:

- To provide strategic guidance and advice to ensure an appropriate operational response by the Emergency Management Team.
- To manage the impacts of the emergency on the organisation and broader industry, including media and community relations, government agency liaison, and participation in industry emergency management structures such as the GEMG, as required.

Within AEMO, the Crisis Management Team is led by the Chief Executive Officer. In addition to the two functions above, the Crisis Management Team also undertakes the following:

- Provide advice to industry and government on the gas emergency, including the use of emergency powers.
- Prepare supply strategies and options for the GEMG to consider.
- Give directions as required to ensure the security of supply of gas in Victoria.
- Coordinate the response to the emergency and exercise the powers given to AEMO under any the relevant Acts.



4 RESPONSE TO AND RECOVERY FROM AN EMERGENCY

When an emergency arises, or AEMO is notified of a potential emergency it will liaise with ESV, DEDJTR and industry as soon as possible to ascertain the nature, extent and expected duration of the emergency and the way in which AEMO reasonably anticipates it will respond.

4.1 Identification and Activation of Industry to an Emergency

AEMO maintains its vigilance on the safety and security of supply of Victoria's gas system through:

- Operating a 24/7 Gas Control Centre.
- Maintaining a Gas Duty Manager, Emergency Duty Manager and Incident Coordinator on a 24/7 basis.
- Regular interaction and liaison with Registered participants and government departments, including emergency services.
- Gas and weather forecasting processes.

AEMO keeps Registered participants informed about the nature, extent and expected duration of emergencies, including updates of the emergency status as required through the use of System Wide Notices (SWNs – see section 6.1) and the Victorian Energy Emergency Communications Protocol (VEECP) attached at Annex G.

AEMO also expects Registered participants to advise all relevant officers, staff, and where required, its customers about the existence of and nature of the emergency, and to adhere to the agreed industry processes for the identification, and notification of foreseeable and existing emergencies.

In the event that a likely or actual emergency is identified by AEMO, Registered participant, or government department, the following steps occur:

- The identifying organisation notifies AEMO of any event or situation it becomes aware of.
- AEMO activates the VEECP.
- AEMO will activate its Incident Coordination Team.
- When an emergency arises, AEMO notifies ESV and advises Registered participants through a SWN.
- Where emergency powers are invoked, each Registered participant complies with all emergency directions given by AEMO, ESV or government.
- AEMO will keep Registered participants informed of any material changes in the nature, extent and expected duration of an emergency through SWNs and the VEECP.
- An emergency will continue until such time as AEMO determines that the emergency has ended.
- AEMO must notify all Registered participants when it believes that the emergency has ended.

Where emergency powers are invoked or where AEMO provides a Registered participant with a direction, the direction should be in writing, stating the Act or Rules and clause numbers that state the Registered participant's authority to proceed.

4.2 Declaring a Level 5 Emergency

4.2.1 Emergency Declaration Process

The declaration will be implemented by issuing the **Emergency Declaration Notice**, to the Emergency Manager, Duty Manager or General Manager of each Registered participant.

The AEMO officer who declared the emergency will ensure that immediate contact is made with:

- Each and every Registered participant Emergency Manager, Duty Manager or General Manager to:
    - Advise that a Level 5 Emergency Declaration has been made.

    - Ensure that the participant Emergency Manager, Duty Manager or General Manager acknowledges the Level 5 Emergency Declaration.
- The Director of Energy Safety, ESV to:
    - Confirm that a Level 5 Emergency Declaration has been made.
    - Ensure that the Director acknowledges the Level 5 Emergency Declaration.
- The Minister for Energy and Resources office to:
    - Advise that a Level 5 Emergency Declaration has been made.
    - Ensure that the Minister's office acknowledges the Level 5 Emergency Declaration.
- Department of Primary Industries:
    - Advise that a Level 5 Emergency Declaration has been made.
    - Ensure that the Department acknowledges the Level 5 Emergency Declaration.
- If a Registered participant cannot be contacted, AEMO will:
    - Check emergency contact details provided under NGR Rule 334 with Operations Centres or other Registered participants.
    - Transmit the Level 5 Emergency Declaration Notice to the Registered participant's designated contact number/address and note the time of the transmission in the Event Log using a SWN.
    - Use all reasonable endeavours to contact the Registered participant's Emergency Manager, Duty Manager, General Manager or a senior company executive.

In accordance with section 1.4, Registered participants have obligations to AEMO to ensure they provide up-to-date emergency contact details. Government agencies and those stakeholders that are not Registered participants within the Victorian Wholesale Gas Market are to also ensure they provide updated emergency contact details to AEMO for use during an emergency.

All communications to and from AEMO are to be recorded in the event log.

A copy of the Emergency Declaration Notice is attached at Annex D.

4.2.2 Emergency Directions to Participants

Once an emergency or Threat to System Security (see section 4.5) has been declared, further directions to gas industry Registered participants and ancillary entities will be implemented by issuing the **Directions to Registered Participants Under Section 91BC**, to the Duty Manager, General Manager or appointed Emergency Manager of each industry Registered participant.

A copy of the Directions to Registered participants Under Section 91BC is attached at Annex D.

It should be **noted** that a direction under Section 91BC may be issued by AEMO at any time to a Registered participant (or an exempted participant) with respect to the declared transmission system or a declared distribution system for one or more of the following purposes, **without** the declaration of an emergency:

- To maintain and improve the reliability of the supply of natural gas.
- To maintain and improve the security of the declared transmission.
- System or a declared distribution system.
- In the interests of public safety.

4.3 Authority to Declare

4.3.1 AEMO

The AEMO *Chief Executive Officer, Chief Operations Officer, Group Manager Real Time Operations, or Group Manager Operations Support* are the authorised officers who may declare a **Level 5 Emergency** or a **Threat to**

System Security in accordance with these procedures. AEMO derives its authority to declare an emergency under NGR Rule 333 and can issue directions under Section 91BC of the National Gas (South Australia) Act 2008.

If none of the authorised officers can be contacted in reasonable time and having due regard to the absolute urgency of the situation, then the AEMO *Gas Duty Manager* may declare a **Level 5 Emergency** or a **Threat to System Security** and take such actions as necessary to mitigate danger and damage and maintain integrity of the overall gas supply system.

Declarations made under this clause by the Gas Duty Manager must be reviewed at the earliest opportunity with one of the authorised officers.

4.3.2 Energy Safe Victoria

The Director of Energy Safety, ESV may also issue a direction under Section 107 of the Gas Safety Act 1997.

4.3.3 Governor in Council

Upon recommendation by the Minister for Energy and Resources (or Responsible Minister) the Governor in Council may declare an emergency under Part 9 of the Gas Industry Act 2001. Any actual directions issued once an emergency is declared under this Act would be made by the Minister for Energy and Resources (Responsible Minister).

4.4 Guidelines for Determining the Declaration

The declaration of a Level 5 Emergency or Threat to System Security is not an action that is taken lightly. Where possible, prior to AEMO declaring a Level 5 emergency or Threat to System Security, AEMO will consult with ESV and the Minister. Before declaring a level 5 emergency, AEMO will consult with the Director of ESV and the Minister for Energy through the Energy Industry Response Committee (EIRC). At an EIRC meeting it will be determined under whose authority emergency powers will be enacted (i.e. the Minister, the Director of ESV or AEMO)

The following needs to be considered in determining whether a situation warrants a declaration being made:

- Threaten the reliability of gas supply.
- Pose a risk to public safety.
- Cause material damage to the transmission system.
- Cause material damage to a distribution pipeline and impact on the operation of the transmission system or the market.
- Threaten the system security or the security of a declared distribution system.

4.5 Threat to System Security

If AEMO believes that declaring a Threat to System Security is necessary, then it will notify Registered participants (through SWNs) about the following:

- The nature and magnitude of the Threat to System Security, including an estimate of the likely duration of the Threat to System Security and the likely shortfall in gas supplies.
- Whether AEMO will need to intervene in the market to avert the threat and, if so, the time by which intervention will be required if the threat has not subsided.
- The system withdrawal zones within the declared transmission system in which the Threat to System Security is likely to be located.

If AEMO declares a Threat to System Security, AEMO may also issue a notice requiring each Registered participant to provide to AEMO with best estimates of whether they are in a position to do the following, by when and at what cost:

- Make additional injections or withdrawals of gas and whether they would need to reschedule maintenance or other work in order to do so.
- Inject non-firm gas into the declared transmission system.
- Inject off specification gas into the declared transmission system.

It is reasonably expected that a Registered participant would provide AEMO with the requested information as soon as practicable after it has received a notice. The information provided will be treated confidentially by AEMO and will only be used for the purpose of maintaining or re-establishing system security.

Once the Threat to System Security has subsided, AEMO will inform Registered participants through a SWN.

Refer to AEMO's Wholesale Market System Security Procedures at Annex E.

The current version of the AEMO Wholesale Market System Security Procedures is available on the AEMO website at **http://www.aemogas.com.au/index.php?sectionID=9948&pageID=9950**.

4.5.1 Threat to System Security – Market Response and Intervention

Where AEMO reasonably considers that a Threat to System Security is unlikely to subside without intervention, AEMO may intervene in the Market by taking any measures it believes are reasonable and necessary to overcome the Threat to System Security, including (without limitation) making the following directions under section 91BC of the NGL

- Directing the injection of LNG.
- Curtailment in accordance with the emergency curtailment list.
- Increasing withdrawals.
- Requiring Registered participants to use reasonable endeavours to inject gas which is available, including non-firm gas.
- Requiring any Registered participant to inject off-specification gas.
- Requiring Registered participants to do any reasonable act or thing that AEMO believes necessary in the circumstances.

4.6 Load Curtailment

The Gas Load Curtailment and Gas Rationing and Recovery Guidelines (Guidelines) prepared by AEMO are based on system security criteria. The Guidelines are prepared to reflect Victorian Government economic and social policies. The Guidelines define classes of gas customers within Curtailment Tables, which are then used in turn to construct Curtailment Lists.

The Tables are used to determine the order and extent to which gas industry customers will have their load curtailed, should it become necessary to restrict their gas supply in the interests of public safety or to protect the security of the gas transmission or gas distribution systems, recognising the duty of care to all gas industry customers.

In the event of a Threat to System Security attributable to a transmission constraint, AEMO, according to NGR 343(2), will proceed to curtail customers following the processes in sections 3 and 4 of the Gas Load Curtailment and Gas Rationing and Recovery Guidelines.

Curtailment will only occur after due consideration of alternate sources of gas supply and the lead time required for this to become effective. Curtailment will be used to maintain system security in accordance with the AEMO System Security Procedures. The Curtailment Tables are designed to achieve the maximum rapid impact of curtailment, due to the limited gas storage available in the system.

AEMO will use all reasonable endeavours, to minimise the impact on gas supply and mitigate the circumstances of specific situations as expeditiously as possible. For example, where a supply problem only affects a limited

geographic area, AEMO will only consider curtailing customers in that area. Curtailment will be removed at the earliest practical time to minimise the loss of supply and impact on the community.

Customers may be permitted to maintain a minimum level of gas consumption where this is required for public safety, plant or process safety, health or environmental reasons. Customers must reduce their demand as quickly as possible consistent with these requirements. Exemptions from full restrictions on these grounds may only be granted for specific events upon application to Retailers, which must then be approved by AEMO.

Retailers are responsible for contacting customers to arrange the necessary load curtailments.

Failure by a Registered participant to comply with load curtailment instructions issued by AEMO may constitute a breach of the NGL.

Note:

As part of the curtailment process AEMO may request through DEDJTR a public appeal for all customers to restrict gas use. In the event that curtailment of customers does not reduce demand sufficiently to secure the transmission system, networks will be selectively isolated to ensure the integrity of the system.

Refer to AEMO's Gas Load Curtailment and Gas Rationing and Recovery Guidelines at Annex F.

The current version of the Gas Load Curtailment and Gas Rationing and Recovery Guidelines is available on the AEMO website at **http://www.aemogas.com.au/index.php?sectionID=9948&pageID=9950**.

4.7 Gas Rationing and Recovery

After an emergency has ceased, AEMO will issue directions for gas rationing and recovery as per section 5 of the Gas Load Curtailment and Gas Rationing and Recovery Guidelines. Those principles outlined in section 5 are applicable to the gas transmission and gas distribution system either partially or completely depending on the circumstances.

5 SUPPLY RESTORATION AND RECOVERY

5.1 Supply Restoration

Upon reinstatement of supply capability following a major disruption it is AEMO's responsibility to ensure that the process to restore gas supply occurs in such a manner that prevents any further threat to safety or system security. There may also be economic and social considerations that the State may have.

In planning the restoration process AEMO will consider amongst other things:

- The current level of curtailment.
- What groups or classes of consumers have been affected.
- Current and forecast demand conditions.
- Current supply availability and whether or not those supplies are sustainable.
- Available quantities of line pack.

5.2 Recovery

Emergencies will almost invariably result in harm or damage to people, plant, property, or the environment and, accordingly, remedial action will be required. The responsibility for planning and implementing such action will most likely rest with the affected line manager of the affected organisation, and may include:

- Rehabilitation of staff.
- Repair of damaged facilities.
- Environmental remediation.
- Replenishment of emergency facilities.

Following termination of the emergency and restoration of normal activities, AEMO will, following legal advice, ensure completion of an industry post-emergency report and applicable statutory reports (e.g. to ESV). The report will include, but is not limited to:

- Cause of the event and other contributing factors.
- Mitigating actions taken.
- Effectiveness of the response Emergency Procedures.
- Preventive actions required for the future.

This is to support incremental improvement in the Emergency Procedures and the overall response by industry and government to a gas emergency. Action items as a result of any recommendations made through this processwill be progressed through the GEMCF.

5.3 Emergency Revocation Process

When the AEMO Chief Executive Officer agrees that the situation is under control and no further threat exists, the AEMO Chief Executive Officer will hand back control to the industry Registered participants.

The revocation will be implemented by issuing the **Level 5 Emergency Revocation Notice**, to the Duty Manager, General Manager or appointed Emergency Manager of each industry Registered participant.

The AEMO Chief Executive Officer should ensure that immediate contact is made through the use of a SWN with:

- Each and every Registered participant Emergency Manager, Duty Manager or General Manager to:
    - Advise that a Level 5 Emergency Revocation has been made.

- Ensure that the Registered participant Emergency Manager, Duty Manager or General Manager has acknowledged the Revocation Notice.

- The Director of Energy Safety, ESV to:
  - Advise that a Level 5 Emergency Revocation has been made.
  - Ensure that the Director has acknowledged the Revocation Notice.
- The Minister for Energy and Resources office to:
  - Advise that a Level 5 Emergency Revocation has been made.
  - Ensure that the Minister's Office has acknowledged the Revocation Notice.
- Department of Primary Industries to:
  - Advise that a Level 5 Emergency Revocation has been made.
  - Ensure that the Department has acknowledged the Revocation Notice.

A copy of the Emergency Revocation Notice is attached at Annex D.

6 COMMUNICATION

During emergencies, industry's communications systems and processes are very important. These communications systems and processes include existing business applications such as email and telephone, but also extend to market systems, and specialist platforms such as Whispir. During a gas emergency in Victoria, AEMO will use a variety of systems and processes to communicate with or direct stakeholders in response to an emergency.

It is important to remember however that communication is a two way process. Registered participants and other stakeholders such as government departments and the emergency services should update their own systems and emergency contact lists to ensure they remain current and relevant during an emergency.

It is also imperative that wider industry stakeholders, including government agencies, keep AEMO informed of material changes in a potential or ongoing emergency to ensure AEMO is best prepared to make decisions in the interest of a safe and secure supply of gas in Victoria.

6.1 System Wide Notices

AEMO uses its market systems, in particular Market Notices to keep Registered participants informed on changes that may impact the gas market. This includes the use of System Wide Notices (SWN) to Registered participants during an emergency.

6.2 Victorian Energy Emergency Communications Protocol

The Victorian Energy Emergency Communications Protocol (VEECP) has been developed by AEMO and Victorian gas and electricity industry stakeholders to ensure timely and accurate advice and information is disseminated in a coordinated manner during a gas emergency. The VEECP does not operate in isolation but rather complements existing AEMO, industry and government emergency policies and procedures, including these Emergency Procedures.

6.2.1 Communications Process

The VEECP consists of four phases: notification, monitoring, response and recovery. Within each phase a simple and concise process has been developed to support timely gathering and analysis of information, with dissemination to industry stakeholders through existing information technology systems and established communication channels. The VEECP operates across the range of emergency levels 1 to 5, including a Threat to System Security.

A copy of the VEECP is attached at Annex G.

6.3 Media Management

It is very important for industry and government to ensure the public correctly understand the current conditions and guide them to create a favourable atmosphere for solution to an emergency through the media. Therefore, media are indispensable in the process of emergency management particularly in a gas emergency.

Typically Victorian gas industry Registered participants would manage media relations for emergency Levels 1 to 4. AEMO may communicate through the media for Levels 4 and 5, where the Single Industry Spokesperson (SIS) is invoked.

In ensuring a consistent message to the public during a gas emergency including Level 5, an agreement has been made with government and industry whereby AEMO will speak on behalf of the Victorian gas supply industry when there are widespread and prolonged gas shortages affecting Victorians.

To meet the objective of the agreement, the SIS has been developed. This SIS has the following objectives:

- To ensure media, customers, and the general public receive a single, coordinated communication message and clear advice about the status of a widespread gas emergency.
- To provide a timely and reliable response to key media outlets (radio, print, and TV) during a major emergency.

During the activation of the SIS over a prolonged gas emergency in Victoria, all organisations corporate communications and media managers will be required to make a contribution to key messages that affect the wider industry.

A copy of the SIS is attached at Annex H.

7 GLOSSARY

AEMO	Australian Energy Market Operator
CFA	Country Fire Authority
CGRC	Central Government Response Committee
DEDJTR	Department of State Development, Business and Innovation
EIRC	Energy Industry Response Committee
EMMV	Emergency Management Manual Victoria
EMV	Emergency Management Victoria
ESV	Energy Safe Victoria
GEMCF	Gas Emergency Management Consultative Forum
GEMG	Gas Emergency Management Group
MFB	Metropolitan Fire Brigade
NGL	National Gas Law
NGR	National Gas Rules
SCC	State Crisis Centre
SCRC	State Crisis and Resilience Council
SEMC	Security and Emergency Management Committee of Cabinet
SEMT	State Emergency Management Team
SES	State Emergency Service
SIS	Single Industry Spokesperson
SWN	System Wide Notice
VEECP	Victorian Energy Emergency Communications Protocol

Annexes

http://www.aemo.com.au/emergency_public/emergency.html