

NEW SOUTH WALES



NATURAL GAS SUPPLY DISRUPTION RESPONSE SUB PLAN

Endorsed SEMC No. 69
5 June 2008

AUTHORISATION

This plan is a sub-plan of the Energy and Utility Services Functional Area Supporting Plan of the State Disaster Plan (Displan). This sub-plan has been prepared and agreed by the Natural Gas Working Group of the Energy and Utility services Functional Area Committee (EUSFAC), to detail the arrangements for the coordination and management of, and recovery from, a State level natural gas supply disruption in NSW.

This sub-plan is authorised in accordance with the provisions of the *State Emergency and Rescue Management Act, 1989* and is endorsed by the State Emergency Management Committee.

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This Natural Gas Supply Disruption Response Sub Plan was endorsed by the State Emergency Management Committee at its 69th Meeting on 5 June 2008.

AMENDMENT INFORMATION

Proposals for amendment or addition to the contents of the New South Wales Natural Gas Supply Disruption Response Plan are to be forwarded to:

The Convenor, Natural Gas Working Group
Energy and Utility Services Functional Area Committee
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Amendment information is recorded in the amendment table below.

Amendment number	Sections affected	Date of effect

DISTRIBUTION

This Plan is distributed in electronic format as Version 1.0. This Plan and subsequent versions are maintained on the Department of Water and Energy's website at www.dwe.nsw.gov.au and the emergencyNSW website www.emergency.nsw.gov.au

Users of printed copies of this Plan should always check to ensure they have the current version.

CONTENTS

Section	Title	Page
1.0	Aim	5
2.0	Scope	5
3.0	Plan Operating Principles	5
4.0	Roles and Responsibilities	6
4.1	Energy and Utility Services Functional Area Coordinator (EUSFAC)	6
4.2	NSW Natural Gas Jurisdictional Coordinator	7
4.3	Department of Water and Energy (DWE)	7
4.4	Minister for Energy (Minister)	7
4.5	Natural Gas System Operators (NGSO)	7
5.0	Communications	8
5.1	Initial Event Notification	8
5.2	Notification of Commencement of Stage 2 Load Shedding / Curtailment	8
5.3	Situation Updates	9
5.4	Notification of Stage 3 Government Intervention	9
5.5	Information Confidentiality	9
5.6	Public Relations & Media Releases for Stage 3 only	10
6.0	Response Procedures	10
6.1	Evaluation of the Supply Disruption	10
6.2	Stage 3 Rationing of Consumers	11
6.3	Stage 3 Rationing Procedure	11
6.4	Reinstatement of Supply and Relighting Gas Appliances	12
7.0	De-Brief	12
8.0	Review of the Plan	12
9.0	Training and Testing	12
Appendices		
1	Definitions	13
2	Abbreviations	15
3	Government Priorities	16
4	Communications Plan	17

1.0 Aim

To detail arrangements for the co-ordination and management of, and recovery from, a State level natural gas supply disruption in NSW under the Energy and Utility Services Functional Area Supporting Plan.

2.0 Scope

The NSW Natural Gas Supply Disruption Response Plan has been prepared to provide: -

- Defined roles and responsibilities in the event of a natural gas supply disruption.
- Set up communication protocols between affected organisations and stakeholders including the public, in the event of a natural gas supply disruption.
- Establish procedures for the efficient and safe management of a natural gas supply disruption, from commencement of the emergency to re-establishment of normal gas supplies.

Definitions and abbreviations used in this Plan are listed in Appendices 1 and 2 respectively.

3.0 Plan Operating Principles

The NSW Natural Gas Supply Disruption Response Plan (the Plan) is always active.

A Natural Gas Supply Disruption Event will be managed under the Plan using a three stage approach as defined below.

- **Stage 1 – Market Trading**

Retailers, shippers and other market participants adjust their supply arrangements voluntarily to cover for any lost supply.

- **Stage 2 – Load Shedding / Curtailment**

The relevant Natural Gas System Operator requires reductions in demand from consumers in accordance with the network access arrangements, relevant market rules and contracts or network operating plans and procedures.

- **Stage 3 – Government Intervention (Rationing)**

The NSW Government, based on the advice of market participants, primarily the network operators, orders mandatory reductions in demand to ensure supply of gas to priority services and the security of the systems is maintained.

The principles underpinning this Plan are: -

- Market mechanisms shall be the first option when managing a gas supply shortage.
- Pipeline linepack is available for draw down to offset any short term supply demand imbalances in the system. This shall be managed by the markets balancing arrangements.
- Draw down of gas within the pipeline and distribution systems shall be limited so that sufficient gas remains in the system i.e. the systems will remain capable of supplying essential services and immediate full restart when supply is restored.
- Network operators shall only invoke load shedding procedures in network access arrangements or operating plans and procedures when market mechanisms are unable to balance supply and demand.
- Government intervention shall only be initiated to ensure supply to essential services whilst not impeding any system security.
- Government intervention shall be limited to reduction of demand and not intervene in production of gas.
- The adoption of NSW Government priorities as listed at Appendix 3 are those which are required to ensure public order, safety and community services.

4.0 Roles and Responsibilities

4.1 Energy and Utility Services Functional Area Coordinator (EUSFAC)

The Minister for Emergency Services has appointed to the State Emergency Management Committee (SEMC) the Energy and Utility Services Functional Area Coordinator (EUSFAC), whose responsibilities are:

- Manage the provision of information relating to a loss of supply in accordance with the Energy and Utility Services Functional Area Supporting Plan.
- Seek support from the State Emergency Operation Controller (SEOC) to gain assistance (where applicable) to manage the consequence to an energy or utility supply disruption.
- Co-ordinate resources for the restoration of supply (where applicable).
- Co-ordinate resources for the management of low supply situations.

The SEMC has approved the formation of a Utility and Energy Functional Area to provide a forum for energy and utility distributors and suppliers to assist with carrying out this planning. The functional relationships and communication links are depicted in the diagram shown at Appendix 4.

4.2 NSW Natural Gas Jurisdictional Coordinator

A Jurisdictional Coordinator for gas supply disruptions has been appointed. The Coordinators role is to: -

- a) Represent NSW on National Gas Emergency Response Advisory Committee (NGERAC);
- b) Communicate with other jurisdictional co-ordinators under the NGERAC communications arrangements;
- c) Communicate with NSW gas industry and consumer representatives to obtain gas supply and demand status information;
- d) Advise EUSFAC on the status of the gas system, actions proposed / agreed by NGERAC and advise gas market participants of proposed government actions.

4.3 Department of Water and Energy (DWE)

The DWE role is to support EUSFAC and the Jurisdictional Coordinator by monitoring the progress of any gas supply disruption and providing advice to the Minister for Energy on the extent and probable effects the disruption will have on the State.

This will include the evaluation of the supply disruption and advice on when NSW Government intervention is required and what intervention is appropriate. This will include the need to initiate Stage 3 Government Intervention in all or part of the State.

4.4 Minister for Energy (Minister)

The Minister for Energy is responsible for advising, where necessary, the Governor, the Premier, the Minister for Emergency Services, other relevant NSW Government Ministers and the NSW Parliament on the extent and probable effects of any natural gas supply disruption.

This will include advice to the Governor and / or the Premier on the need to initiate mandatory rationing (Stage 3 Government Intervention) in all or part of the State.

4.5 Natural Gas System Operators (NGSO)

Each Natural Gas System Operator is responsible for the management of gas supply disruptions and the consequent effects within their section of the natural gas system.

This management will be in accordance with their own response plans and the protocols of this plan.

5.0 Communications

These communications protocols are designed to ensure the consistent and accurate transmission of information between affected jurisdictions, organisations, the Government, the media and public of NSW. They are also designed to maintain appropriate levels of communications under the contractual and regulatory frameworks, which exist in the NSW Natural Gas System.

DWE will maintain a Designated Contact Officer list. Each organisation listed will ensure any changes to the list will be promptly communicated to the DWE for update of the list and transmission of the changes to other organisations.

5.1 Initial Event Notification

When a Natural Gas Supply Disruption Event occurs, the Natural Gas System Operator (NGSO) of the section of the natural gas system where the event occurred will notify the Jurisdictional Coordinator.

The notifications shall include: -

- i. the nature of the event,
- ii. its location in the gas system,
- iii. the time the event occurred,
- iv. likely effect on the quantity of natural gas available, and
- v. the estimated time to restore normal supplies (if known).

If the Jurisdictional Coordinator cannot be contacted and no advice has been received specifying an alternate, then the alternate contact shall be EUSFAC.

Where the event occurs outside of NSW, the first Designated Contact Officer who becomes aware of the event is to notify the Jurisdictional Coordinator.

The Jurisdictional Coordinator is responsible for notifying other Designated Contact Officers and where necessary other jurisdictional coordinators under the NGERAC communications protocol.

During the initial notification period Stage 1 voluntary demand restraint may occur without the need for specific notifications under this plan. Where an event that can be managed by Stage 1 voluntary reductions in demand by market participants it is not a designated Natural Gas Supply Disruption Event and need not be formally communicated to the Jurisdictional Coordinator under the Plan.

5.2 Notification of Commencement of Stage 2 Load shedding / Curtailment

The NGSO implementing Stage 2 load shedding shall notify the Jurisdictional Coordinator of the action. This notification shall include at least the extent and level of load shedding and the estimated length of time the load shedding will be required.

The notifications should include: -

- i. the identity of the consumers to be load shed;
- ii. the areas of the gas system affected by the load shedding directions;
- iii. the time the load shedding will take effect;
- iv. the estimated time load shedding will remain in place;
- v. the current gas supply and demand volumes; and
- vi. the volume of gas demand reduction expected from the load shedding.

Those market participants whose natural gas supply is to be load shed will be separately advised via the normal gas market arrangements.

5.3 Situation Updates

Each NGSO shall maintain contact with the Jurisdictional Coordinator and provide regular updates with respect to the status of the natural gas system.

As a minimum, updates will be provided daily and may be verbal or electronic, from which EUSFAC will provide Situation Reports as required to the SEOC.

5.4 Notification of Stage 3 Government Intervention

Where the Government proposes the declaration of mandatory Stage 3 Rationing of gas, the Jurisdictional Coordinator shall notify all other jurisdictional coordinators in accordance with the NGERAC communications protocol.

EUSFAC or the Jurisdictional Coordinator shall notify all Designated Contact Officers of the proposed Stage 3 Rationing and shall confirm these following the Legislated Authority's decision.

5.5 Information Confidentiality

The Jurisdictional Co-ordinator shall ensure that commercially sensitive or confidential information provided by gas market participants to DWE shall not be disseminated to anyone other than: -

- The Minister for Energy and key ministerial staff;
- The Director-General of DWE and key DWE executives;
- EUSFAC and / or SEOCON as appropriate; and
- Necessary DWE staff for the analysis and collation of the information into a "whole of jurisdiction" status report.

Only "whole of jurisdiction" status information may be transmitted to other parties.

5.6 Public Relations & Media Releases for Stage 3 Only

a) Prior to Declaration of Stage 3 Government Intervention

Each organisation involved in the management of the natural gas supply disruption will provide to relevant the Jurisdictional Coordinator draft copies of any proposed media releases on the incident and its impact at least 30 minutes prior to the release to the media or public.

b) After Declaration of Stage 3 Government Intervention

The Legislated Authority, as defined in the declaration of Stage 3 Government Intervention, will be the only approved source of public information in relation to direction and orders for the reduction of gas consumption following the declaration of Stage 3. Other public information will be developed in consultation with the SEOCAN (where applicable) and the Public Information Functional Area Coordinator (PIFAC).

Each organisation involved should direct all media or public enquiries in relation to these order or directions to the Legislated Authority.

Organisations will continue to communicate operational information via the Jurisdictional Co-ordinator.

All private sector organisations shall continue to comply with there statutory corporate reporting requirements and provide safety related information to consumers.

6.0 Response Procedures

6.1 Evaluation of the Supply Disruption

On receipt of an Initial Notification of a Natural Gas Supply Disruption Event the Jurisdictional Coordinator will advise EUSFAC.

EUSFAC will evaluate the need to activate the EUSFAC Natural Gas Response Team. The Response Team will consist of: -

- the Jurisdictional Coordinator; and
- all Designated Contact Officers; and
- Other DWE Officers as determined by EUSFAC.

The Response Team will: -

- Monitor the progress of the NGSO's in dealing with the supply disruption and determine if the market is capable of managing the supply shortage or if NSW Government Intervention is required.
- Prepare advice for EUSFAC.
- If Stage 3 Government Intervention is invoked, the team will monitor the progress of the emergency and provide relevant advice to the

Legislated Authority and if necessary relevant State emergency management personnel.

6.2 Stage 3 Rationing of Consumers

During the management of any Natural Gas Supply Disruption Event it may be determined that it is necessary to invoke emergency legislation either for part or all of the State. This may occur at any time as a preparatory measure and does not constitute the commencement of Stage 3 Government Intervention.

Stage 3 Rationing may be instituted if it is considered the supply disruption event constitutes a significant and widespread danger to life or property resulting from the reduced availability of natural gas.

It should be noted that during a “state of emergency” declared for another reason it may become necessary to ration natural gas supplies to customers to protect life and property. The procedure detailed in below will also be utilised in that situation.

Hence, Stage 3 Rationing of gas consumers may be conducted under either of the following Acts: -

Energy and Utilities Administration Act 1987

Where the progress of the natural gas supply disruption allows, DWE will prepare proclamations for submission by the Minister for Energy to the Governor and regulations to control the supply and consumption of natural gas under sections 24 and 25 of the *Energy and Utilities Administration Act 1987*.

State Emergency and Rescue Management Act 1989

Under the circumstances where rapid implementation of Stage 3 Rationing of gas supplies is considered necessary, DWE will prepare declarations and advise the Minister for Energy to recommend to the Premier of NSW to declare a “state of emergency” in relation to natural gas under Section 33 (1) of the *State Emergency and Rescue Management Act 1989*.

6.3 Stage 3 Rationing Procedure

At the proclamation / declaration of Stage 3 Rationing information such as impact and length of time off supply needs to be made available. Gas customers shall be contacted as follows: -

a) Contract Customers (those who hold a negotiated contract)

The Legislated Authority, as defined by the emergency declaration, will direct the relevant NGSO to ration the gas supplies to contract customers within the declared emergency area in accordance with the agreed Stage 3 principles and / or schedule which will be based on the NSW Government Priorities listed in Appendix 3.

The relevant NGSO shall then contact the relevant Authorised Suppliers and contract customers to arrange Stage 3 Rationing of gas usage and if necessary shutoff by NGSO personnel.

b) Tariff Customers (those who hold a standard rate contract)

The Legislated Authority, as defined by the emergency declaration, will direct the relevant NGSO to co-operate with the relevant SEMC Combat Agency and other emergency services personnel to ration gas supplies to tariff customers within the declared emergency area.

6.4 Reinstatement of Supply and Relighting Gas Appliances

It is possible that the restoration of the natural gas supply may be progressive. Hence, the lifting of gas consumption restrictions may be progressive.

Relighting of gas appliances shut down under a Stage 3 Rationing Order will only commence following the cancellation Stage 3 Rationing Order and with the approval of the Legislated Authority.

Relighting of gas appliances shut down under Stage 2 load shedding / curtailment will only commence following the cancellation Stage 2 load shedding / curtailment and with the approval of the relevant NGSO.

7.0 De-Brief

After the Plan has been implemented as a result of a significant supply disruption, and the supply shortage has been resolved, a de-brief will be performed to evaluate the performance of the Plan in relation to the supply disruption event.

8.0 Review of the Plan

The Plan is to be reviewed:

- Following implementation of the Plan
- Following an exercise designed to practice or test any aspects of the Plan
- When the roles and responsibilities of any Agency involved in the Plan are changed
- At the direction of EUSFAC
- Every five years

9.0 Training and Testing

Each Agency is responsible for the training of its own personnel to perform the roles and responsibilities assigned in this Plan.

EUSFAC is responsible for the conduct of exercises to practise, or test all or any part of the procedures and arrangements in this Plan.

Appendix 1 - Definitions

Agency

Government Department, Statutory Boards or Government Trading Enterprise or State Owned Corporation.

Authorised Suppliers

Organisations authorised under the *Gas Supply Act 1996* to supply natural gas to customers.

Combat Agency

The agency identified in Displan as the agency primarily responsible for controlling the response to an emergency (SERM Act).

Contract Customer

A customer who owns or occupies premises to which natural gas is supplied under a Negotiated Customer Supply Contract under the *Gas Supply Act 1996*.

Rationing

The reduction or cessation of gas consumption by a consumer or group of consumers by order of the Legislated Authority under a natural gas emergency proclaimed under sections 24 and 25 of the *Energy and Utilities Administration Act 1987* or Section 33 (1) of the *State Emergency and Rescue Management Act 1989*.

Designated Contact Officer

Means a person appointed by the organisation as the primary contact for initial notification and status update information in relation to any natural gas supply disruption.

Legislated Authority

Means a person appointed by an emergency declaration with authority to issue orders and directions in relation to the rationing of natural gas.

Load Shedding / Curtailment

The mandatory cessation of gas consumption by a consumer or group of consumers by order of the relevant Natural Gas System Operator in accordance with the network access arrangements, relevant market rules and contracts or system operating plans and procedures.

Natural Gas Supply Disruption Event

The unintended or unplanned disruption of gas supplies, for any reason, which requires, or has the potential to result in, the need for Stage 2 Load Shedding of gas consumers.

Natural Gas System Operator

Means natural gas production facility, transmission pipeline or reticulation network operating organisation responsible for the affected part of the natural gas system.

NGERAC

The National Gas Emergency Response Advisory Committee is a committee of Jurisdictional Contact Officers and representatives from the gas supply and demand chain, which advises governments on major natural supply shortages that impact multiple jurisdictions.

Organisation

Public or private sector department, corporation, board, company, business, etc (including agency - see above)

Rationing

The reduction or cessation of gas consumption by a consumer or group of consumers by order of the Legislated Authority under a natural gas emergency proclaimed under sections 24 and 25 of the *Energy and Utilities Administration Act 1987* or Section 33 (1) of the *State Emergency and Rescue Management Act 1989*.

Rationing Order

An order issued by the Legislated Authority which defines a consumer or group of consumers and the extent and / or duration of a reduction or cessation of gas supply during a proclaimed natural gas emergency.

SEOC

The State Emergency Operations Centre is the control centre established by the State Emergency Operations Controller from where he can control an emergency and / or co-ordinate resources in support of the combat agency. It is located in the Sydney Police Centre.

SEOCON

Means the person appointed by the Governor, on the recommendation of the Minister responsible for, in an emergency affecting more than one district, controlling the allocation of resources in response to the emergency. The appointee establishes and controls the State Emergency Operations Centre.

Tariff Customers

A customer who owns or occupies premises to which natural gas is supplied under a Standard Form Customer Supply Contract under the *Gas Supply Act 1996*.

Appendix 2 - Abbreviations

DEMC	District Emergency Management Committee
DEOC	District Emergency Operations Centres
Displan	NSW State Disaster Plan
DWE	Department of Water and Energy
EDST	Eastern Daylight Saving Time
ESO	Emergency Services Organisations
ESOCC	Emergency Services Organisations communications centres
EUSFAC	Energy & Utility Services Functional Area Co-ordinator
FAC	Functional Area Co-ordinator appointed under the SERM Act
GRN	Government Radio Network
LEMC	Local Emergency Management Committee
NGERAC	National Gas Emergency Response Advisory Committee
NGSO	Natural Gas Network Operators
PIFAC	Public Information Functional Area Coordinator
PSTN	Public switched telephones network
SEMC	State Emergency Management Committee
SERM Act	State Emergency and Rescue Management Act 1989
SEOC	State Emergency Operations Centre,
SEOCON	State Emergency Operations Controller

Appendix 3 - Government Priorities

The government priorities in saving lives and reducing the impact of a supply disruption on the community are:

- Continuity of Government
- Production, supply and distribution of energy resources
- Production, supply and distribution of water
- Production, supply and distribution of liquid fuel supplies
- Production, supply and distribution of food
- Waste management
- Wastewater management
- Maintenance of communication networks – including telephone exchanges, data centres and internet services
- Health services including ambulance services and aged care facilities, quarantine facilities, GP offices and counselling services
- Maintenance of emergency service provision
- Maintenance of law and order (including police services)
- Maintenance of the judicial system (courts and correctional facilities)
- Maintenance of transport services
- Maintenance of mortuary services (identification, certification, religious practices, storage, burials and cremations)
- Services to populations at risk (e.g., in large residential centres and group homes, priority home care services, people who are carer-dependent)
- Accommodation – ensuring there is enough accommodation available and accessible for displaced persons with food, transport, medical and communication services
- Maintenance of banking and financial services
- Animal welfare services and provision of services to intensive animal holding centres
- Cooperation and interdependency between agencies

The order of priority is flexible and will be determined according to the scope and severity of the supply disruption.

(Source: NSW Human Influenza Pandemic Plan, August 2006, page 28)

Appendix 4 – Communications Plan

