



CCO ANNUAL INDUSTRY EXERCISE

PARTICIPANTS' BRIEF: "EXERCISE MATATAU"

Wednesday 8 May 2019

Critical Contingency Operator test of the First
Gas Ltd Critical Contingency Management Plan

Prepared for exercise participants
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1. Introduction

The Critical Contingency Operator (CCO) is required by regulation 34 of the Gas Governance (Critical Contingency Management) Regulations 2008, to instigate test exercises. These should test:

- that the Critical Contingency Management Plan (CCMP) complies with regulation 25 and achieves the purpose of the regulations
- that the CCMP contains the contact details required by regulation 25 and that they are current
- that the Retailers' list of emergency contact details required by regulation 43 are current

An exercise needs to be instigated at least every 12 months (unless there has been a critical contingency in that 12 months). The last exercise occurred in May 2018.

Exercises are an important part of ensuring plans for dealing with a critical contingency are robust and that all industry participants are prepared. They are an excellent opportunity for gas industry personnel in roles vital to the management of critical events to exercise those functions, to ensure processes are well understood. Feedback from all participants from exercises is also an invaluable way of ensuring plans are kept up to date.

Regulation 34 is specific about some aspects of the exercise:

- The CCO must consult with the Transmission System Owner (TSO) prior to the instigation of the exercise
- The TSO, interconnected parties, shippers, retailers, gas distributors and large consumers reasonably requested by the CCO, must participate
- Within 10 business days of the exercise the TSO must provide a report to the CCO explaining why its CCMP does or does not comply with regulation 25 and gives effect to the purpose of the regulations; identifies improvements and recommends CCMP amendments
- Within 10 days of receiving the TSO report, the CCO provides a report to the industry body that assesses the effectiveness of the CCMP; evaluates any amendments recommended by the TSO and identifies any amendments to the regulations, CCMP, communications plan or information guide that would improve the effectiveness in achieving the purpose of the regulations.

After the exercise a change process occurs to implement the recommendations arising from the exercise reports, with consultation where appropriate.

2. Exercise Structure

A pre-exercise audit of the TSO will be conducted by the CCO, to achieve the test objectives detailed in Appendix A. Any additional observations in relation to these objectives that occur during the exercise itself, or in the participant feedback, will also be recorded.

The test exercise itself will occur on **Wednesday 8 May 2019** between 09:00 and 16:00 hours. A transmission system scenario designed to test the objectives detailed in the Appendices will be simulated.

3. Exercise Management

The CCO will design the exercise scenario and manage the overall exercise. The scenario will not be generally released in advance to exercise participants to ensure the test has maximum authenticity. The CCO will arrange for observers to be positioned in the TSO's control room at Bell Block. These observers will not be directly involved in the exercise and will be there to monitor and record events as they occur.

- The exercise will be controlled by the CCO.
- The TSO will activate their emergency response from their control room.
- The exercise may progress in a condensed timeframe (not necessarily real-time). Events will move through the phases of a real response. However, it should be recognised that under real conditions the same events or actions might require additional time to complete.
- The test is desk-top only. Formal notices will be sent, and communications made, but no physical actions affecting equipment or gas supplies will be carried out.
- A series of injects have been pre-designed and will be issued by the CCO at set times. These have been designed to ensure the full range of activities required to meet the test objectives are triggered.

3.1. Exercise Rules

- The CCO will issue a formal communication to all participants informing them of the start of the exercise.
- No transmission systems will be reconfigured; no emergency alarms activated; no personnel, equipment, plant or materials will be mobilised.
- All communications (written, email, text or fax) will have the subject preceded by "Exercise Matatau". The first line of all notices must begin with "Exercise Matatau".
- All phone calls must start and end with the phrase "Exercise Matatau".
- **Should an actual critical contingency or TSO emergency occur during the exercise, the exercise will be immediately terminated and the CCO will issue a formal communication to all participants. Such a communication will be preceded by the phrase "No Duff".**
- The CCO will issue a formal communication to all participants informing them of the end of the exercise.

4. Retailer Participation

Effective curtailment is at the heart of critical contingency management and the exercise is a good opportunity for retailers to test their **Retailer Curtailment Plans** and their consumer contact details.

Retailers are required to undertake such testing to confirm that the processes that support their certified Retailer Curtailment Plan, which ensures that the list of emergency contact details maintained in accordance with regulation 43 is current, are effective. Retailers should provide supporting evidence of such testing to the CCO within 10 business days of completion of the exercise.

Testing should include sampling of both longstanding and recently-acquired customers to confirm completeness and accuracy of contact details. Some of the testing may be carried out prior to the exercise to accommodate the amount of resource different parties may be able to commit to the actual exercise day.

Retailers may use the Retailer Curtailment Plan Test Report template in Appendix F or create their own to report their findings to the CCO.

Retailers are requested to provide their curtailment and restoration updates during the exercise to the TSO as required by regulation 55 and in accordance with the CCMP.

5. Large Consumers

Large consumers are asked to actively engage with the exercise on the day by observing the CCO and TSO communications.

Any large consumers that would be affected by the exercise scenario are requested to actively engage with the exercise so far as practical and provide their curtailment and restoration updates to the TSO as required by regulation 55 and in accordance with the CCMP.

Any large consumers not affected by the scenario are nonetheless encouraged to take the opportunity to consider their own plans and readiness for an event.

6. Asset Owners

The owner of any damaged or failed component of the gas supply chain that is the cause of the exercise scenario would be expected to provide information as required by regulation 54A and Schedule 5.

7. Other Participants

All industry stakeholders and participants are encouraged to actively engage with the exercise so far as practical on the day by observing the CCO and TSO communications. They may wish to consider the role of their organization if the exercise scenario were to occur and to use this to review their own contingency plans.

8. Participants' Notes and Debriefing

The observations of participants add significant value to the test exercise. All participants are encouraged to take notes of observations during the exercise, including notes on their own and others efforts. All notes should be sent to the CCO within 10 days following the exercise, to enable review and inclusion in the formal reporting if appropriate.

Debriefing from an exercise is also a valuable part of the process which often identifies or clarifies observations. It is proposed that the CCO and TSO conduct their own internal debriefs as soon as practical after the exercise and that those two debrief groups then share their observations with each other. All other participant's are encouraged to also conduct their own debrief and then pass relevant issues to the TSO or CCO as appropriate.

Appendix A – Pre-Exercise Audit of TSO by CCO

The CCO will arrange to carry this out with the TSO prior to the exercise.

Test Objective	Ref	Description
The CCMP provides for compliant thresholds that meet the purpose of the regulations.	r25(1)(a)	<p>Check the stated rationale for each threshold and that the rationale is still representative and any system changes have been considered.</p> <p>Check that the SCADA system has appropriate alarms set.</p> <p>Check that the threshold information is reaching the CCO in an effective/timely fashion</p>
The CCMP contains description of the events that the TSO considers may feasibly result in a breach of the thresholds	r25(1)(b)	Check these are complete, valid and up to date with learnings from previous exercises/events or recent system changes reflected.
The CCMP contains actions that the TSO may take to remedy any threshold breach	r25(1)(c)	Check these are complete, valid and up to date with learnings from previous exercises/events or recent system changes reflected. These should deal with the events described re (b) above.
<p>The contact details in the CCMP are current:</p> <ul style="list-style-type: none"> • Gas storage operators • Gas production operators • Large consumers directly connected • Interconnected parties; retailers and shippers • Gas distributors 	r25(1)(i)	Are these being regularly updated and entered in OATIS accurately?

Appendix B – TSO Exercise Objectives

The CCO will arrange for an observer to be in the TSO office during the exercise to help capture observations. The TSO should report against these objectives specifically in their post exercise report.

Test Objective	Ref	Description
The CCMP has a process for demand curtailment and restoration consistent with the purpose of the regulations.	r25(1)(d)	Observe the processes during the exercise and note their effectiveness
The CCMP has a communications plan describing how the TSO will communicate to and from the participants and within what timeframes.	r25(1)(e)	Monitor the communications and check for clarity and timeliness
The CCMP contains the contact details of suitably qualified TSO employees responsible for giving communications and directions under the CCMP and communications plan.	r25(1)(f)	Monitor how roles are allocated within the exercise and how communications and directions are given
The CCMP details circumstances in which the TSO may consider restoration should be directed in an order different from the regulations.	r25(1)(g)	Observe the consideration given by the TSO to restoration
The CCMP has a process to determine the contingency imbalances.	r25(1)(h)	Are these processes up to date and have they been verified recently? Have recent system changes and MPOC/VTC changes been incorporated?
The CCMP provides effective mechanisms for making information available to the CCO	r25(1)(j) r38 Comms Protocol	A detailed check needs to be made against each item of r38 and note made of the ease, accuracy and timeliness of the information that is reaching the CCO.
The protocol for informing the CCO of potential CC conditions	r25(1)(j) r38(1A)(a)(i)	CCO to be alerted within 15 minutes
The CCMPs are consistent with the MPOC, VTC	r25(2)	Has the CCMPs been reviewed for recent changes to MPOC/VTC?

Appendix C – Retailers Exercise Objectives

Test Objective	Ref	Description
Ensure the Retailer Curtailment Plan contains 24/7 contact information for each consumer installation.	r43	Check these are complete, valid and up to date
Ensure the Retailer has up to date curtailment band information for each consumer.	r43	Check this is complete, valid and up to date
Confirm each Retailer has a process for keeping contact and curtailment band information up to date.	r43	Observe the process and note the effectiveness
Retailers provide regular curtailment updates to TSO.	r55	Observe the frequency and quality of updates to the TSO during the exercise
Retailers to give urgent notice to their consumers affected by a CC direction.	r56	Observe the process and note the effectiveness
Ensure Retailer has a process for implementing a media appeal to domestic consumers to conserve the use of gas.	r43	Observe the process and note the effectiveness

Appendix D – Large Consumers

Test Objective	Ref	Description
Communications from TSO to large consumers are effective.	R54/55	Observe the process and note the effectiveness
Large consumers provide regular curtailment updates to TSO.	r55	Observe the frequency and quality of updates to the TSO during the exercise
Ensure designations are understood	R46 R53 (da) and schedule 3	Ensure the organisation understands its designations (if any) and the correct response for different possible event scenarios

Appendix E – Asset Owners' Exercise Objectives

Test Objective	Ref	Description
The owner of the damaged or failed component publishes the required information.	r54A Schedule 5 (2)	If Band 3 is curtailed, asset owner publishes information required by Schedule 5 (2)

Appendix F– Retailer Curtailment Plan Testing Report

Retailers may use this report template to report their findings to the CCO or create their own.

Retailer Name							
1. Description of process in place to ensure consumer emergency contact details are maintained and up to date in accordance with regulation 43.							
2. Description of process for implementing any media appeals if directed by the CCO under regulation 53(1)(db).							
3. How often are emergency contact numbers reviewed or audited for completeness and accuracy?							
4. How many affected consumers did you have in each band at each gas gate? Please include separate line for each gas gate.	Curtailment Band						
	3	3CP	4	4CP	5	6	7
Gas gate A							
Gas gate B							
Gas gate C							
Gas gate ...							
5. During the exercise how many affected consumers in each curtailment band did you give instructions to by urgent notice in accordance with regulation 56?							
6. During the exercise how many affected consumers in each curtailment band did you advise that the critical contingency had been terminated in accordance with regulation 61(c)?							
7. Description of methods, processes and procedures in place for issuing urgent notices in accordance with regulation 56.							
8. Views/comments on the Retailer Compliance Update Form and process.							
9. Description of methods processes and procedures for advising affected consumers of termination of critical contingency in accordance with regulation 61(c).							
10. Views on levels of consumer understanding of your instructions and their obligation under regulation 57.							
11. Views on the quality and effectiveness of your Retailer Curtailment Plan.							

12. Views on the level of awareness and understanding of your Retailer Curtailment Plan within your organisation	
13. Views on exercise format, lessons learnt and any planned changes or initiatives you may take identified during the exercise.	
14. What are the 'actions arising' for your organisation as a consequence of this exercise	