

COREGROUP
pipeline integrity solutions



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Annual Industry Exercise Participants' Brief

Critical Contingency Operator 2015 Test "Exercise Validation"

Wednesday 24th June 2015

Prepared for:

Critical Contingency 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 Plans (CCMPs) comply with regulation 25 and achieve the purpose of the regulations
- that the CCMPs contain 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 every 12 months (unless there has been a critical contingency in that 12 months). As the last exercise occurred in June 2104 and there has been no critical contingency since that date, an exercise is now due.

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 Transmission System Owners (TSOs) prior to the instigation of the exercise
- Transmission system owners (TSOs), interconnected parties, shippers, retailers, gas distributors and large consumers reasonably requested by the CCO, must participate
- Within 10 business days of the exercise each 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 reports, the CCO provides a report to the industry body that assess the effectiveness of the CCMPs; evaluates any amendments recommended by the TSOs; and identifies any amendments to the regulations, CCMPs, 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 24th June 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 CCO office, and Vector's Gas Operations Control Room. 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 from Core Group's CCO office in New Plymouth
- The TSOs will activate their emergency response from Gas Operations Control in Bell Block
- The exercise will be run in real time
- 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 interjects have been pre-designed, and will be issued from the CCO office 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 Validation". The first line of all notices must begin with "Exercise Validation".
- All phone calls must start and end with the phrase "Exercise Validation".
- **Should an actual critical contingency or TSO emergency situation 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 and Large Consumer Participation

The exercise is a good opportunity for retailers to test their retailer curtailment plans and in particular their consumer contact details. The test exercise objectives for Retailer's are detailed in Appendix D. As before, retailers will be given the chance to participate at 3 different levels, to accommodate the amount of resource different parties may be able to commit to the exercise. Retailers can select from:

Participation Level	Description
Full	Retailers communicate with all consumers affected by the exercise
Partial	Retailers communicate with a representative sample of consumers affected by the exercise
Facilitation	Retailers make no communication with consumers but provide evidence that emergency contact details are current.

Retailers are requested to notify the CCO by Friday 19th June of their choice of participation level.

During the exercise all retailers are requested to provide their curtailment and restoration updates to the TSO as required by regulation 55 and in accordance with the CCMPs. These can be actual or simulated responses, depending on their participation levels.

Large Consumers are also requested to submit simulated curtailment and restoration updates during the exercise.

At the end of the exercise Retailers are requested to complete the self-assessment form at Appendix F by Wednesday 8th July. Large Consumers are encouraged to submit any observations as well, although there is no formal self-assessment form.

5. 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.

6. Participant's 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 TSOs 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
<p>The CCMP provides for compliant thresholds that meet the purpose of the regulations.</p>	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>
<p>The CCMP contains description of the events that the TSO considers may feasibly result in a breach of the thresholds</p>	r25(1)(b)	<p>Check these are complete, valid and up to date with learnings from previous exercises/events or recent system changes reflected.</p>
<p>The CCMP contains actions that the TSO may take to remedy any threshold breach</p>	r25(1)(c)	<p>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>
<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)	<p>Are these being regularly updated and entered into OATIS accurately?</p>

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 comms 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)	Have the CCMPs been reviewed for recent changes to MPOC/VTC?

Appendix C – CCO Exercise Objectives

The CCO will arrange for an observer to be in the CCO office during the exercise to help capture observations.

Test Objective	Ref	Description
CCO Process for determining, declaring and notifying critical contingency.	r48 – 50	Observe how the CCO makes these decisions and acts accordingly
CCO process for determining and declaring regional status	r52A Industry Guidance	Observe the process for determining regional status using the industry guidance and for notifying the determination.
CCO processes for issuing notices during a CC event	r51,52, 53, 59	Observe the drafting and issuing of notices and the effectiveness of the communications and information guides.
CCO processes for demand curtailment, exploration of alternative supply and restoration	r53	Observe the effectiveness of the CCO decision making processes for achieving system stability.
CCO process for determining and notifying termination	r60	Observe how the CCO makes these decisions and acts accordingly.
CCO modelling of the system operates effectively and gives consistent results.	r53 r38	The curtailment and restoration decisions are well supported by a robust modelling tool
CCO publishes information	r54A Schedule 5	Observe the implementation of the information requirements, including the information from the asset owner.
CCO performs to required standard	SPACCO Schedule 2	Test the CCO against the Schedule 2 performance standards and target/measures for during and after a CC event for determining; declaring; decision making; communication and termination.

Appendix D – Retailers and Large Consumers Exercise Objectives

Test Objective	Ref	Description
Ensure the Retailer curtailment plan contains 24/7 contact information for each consumer installation.	r43	Retailers' self-assessment reports
Ensure the Retailer has up to date curtailment band information for each consumer.	r43	Retailers' self-assessment reports
Confirm each Retailer has a process for keeping contact and curtailment band information up to date.	r43	Retailers' self-assessment reports
Retailers and large consumers to provide regular 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	Retailers' self-assessment reports

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 Self-Assessment Report

Retailer Name							
Exercise Participation Level *delete as appropriate	Full / Partial / Facilitation *						
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 D							
Gas gate E							
Gas gate F							
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.							

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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 exercise format, lessons learnt and any planned future changes or initiatives you may take that were identified during the exercise.	