



Office of
Industrial Relations

Department of
**State Development and
Infrastructure**

Our reference: FILE ESO 1144, 1-REC682

Your reference: Meeting between AER and the QLD ESO - Ergon and Energex regulatory proposal

Ms Kim Huynh
Director | Networks (Expenditure)
Australian Energy Regulator
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Melbourne VIC 3000

Dear Ms Huynh,

Thank you for your email dated 23 May 2024 seeking whether ESO had any views about Ergon (or Energex's) regulatory proposal for 2025-30 and our subsequent meeting on the 4th of June.

The Electrical Safety Office (ESO), as the State Regulator for the prevention of death, injury and destruction of property caused by electricity, has prepared this feedback to assist AER's review of Energex and Ergon Energy (Energy Queensland) regulatory submissions.

The ESO supports safety initiatives as described in the proposals that contribute to an electrically safe network. It is expected that Ergon Energy and Energex, as a means of complying with their electrical safety legislation duties, would have plans in place that ensure their works are electrically safe and operated in a way that is electrically safe.

The stand-alone *Electrical Safety Act 2002* requires these electricity entities to identify and manage electrical safety related risks associated with the operation and maintenance of all assets.

To meet electrical safety legislation requirements, Energex and Ergon Energy must also manage reasonably foreseeable risks associated with asset failure, including the management of planned replacement works that risk exposures are maintain at acceptable levels. Where asset condition (due to age or any other contributing factors) results in unacceptable levels of risk then replacement or substitution of these assets is required. For example; The ESO advocates entity infrastructure maintenance programs targeting aged conductors, stay wires, poles, crossarms and electric line connections.

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The *Electrical Safety Regulation 2013* has certain requirements that support electricity entity initiatives to address network safety. These include programs to address service line maintenance, preservation of the insulation of an electric line, vegetation management near electric lines, and ensuring statutory clearances of electric lines from structures and ground.

Other performance requirements associated with the works of the electricity entity include for example; the works:

- being able to performance under the service conditions and the physical environment,
- having enough thermal capacity to pass the electrical load for which they are designed without reduction of electrical or mechanical properties,
- having enough capacity to pass short circuit currents to allow protective devices to operate correctly,
- having enough mechanical strength to withstand anticipated mechanical stress caused by environment, construction or electrical service conditions.

In addition to these specific requirements, Ergon Energy and Energex are Prescribed Electricity Entities under the electrical safety legislation. The importance of this is that a Prescribed Electricity Entity must have a Safety Management System (SMS), maintain their SMS and have it audited at least annually to ensure it is current and that the Prescribed Electricity Entity is giving effect to their SMS. The ESO expects that this includes inspection and maintenance activities and effective controls to ensure the SMS allows for a Prescribed Electricity Entity to meet its duties.

If an incident was to occur where injury to personnel, public or damage to property results from an asset failure then an electricity entity may have breached their duty of care as detailed in the *Electrical Safety Act 2002*. Penalties include for an officer committed by an individual as an officer of a person conducting a business or undertaking includes 5 years imprisonment.

If you require further information or assistance, please contact me on [REDACTED].

Yours sincerely,

[REDACTED]

Mrs Stacey Ozolins
Senior Director
Supply, Networks and Licencing
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