

ESV Validation Report

Powercor 2020-2021
Fire Start Report
Final Report

Executive summary

The Victorian Governor in Council made the Order In Council for the F-Factor Scheme Order 2016 under section 16C of the *National Electricity (Victoria) Act 2005*. This was gazetted on 22 December 2016.

Powercor provided its fire start report to the Australian Energy Regulator (AER) on 5 October 2021. This report covered the period 1 July 2020 to 30 June 2021.

The AER forwarded the fire start report to Energy Safe Victoria (ESV) on 5 October 2021 for validation by 30 November 2021. ESV undertook the validation process in a staged manner as follows:

- A **preliminary review** to ensure the information provided was complete and in a satisfactory form
- A **completeness assessment** to determine whether all fires previously reported to ESV had been included in the fire start report and to ensure all incidents in the fire start report had been previously reported as fires to ESV
- A **comparative analysis of IRU-specific factors** to identify any material differences between the information reported by Powercor in its fire start report and previously to ESV in relation to those aspects of the fire start report pertinent to the calculation of the total Ignition Risk Units (IRU) amount
- A **comparative analysis of non-IRU factors** to identify any differences between the information reported by Powercor in its fire start report and previously to ESV in relation to those aspects of the fire start report not pertinent to the IRU calculation.

Except for the analysis of non-IRU factors, ESV consulted with Powercor regarding any discrepancies identified to clarify the reasons for the discrepancies and to provide an opportunity to amend the fire start report.

Further detail on the methodology used for the validation analysis is provided herein.

On completion of the validation analysis, ESV issued the draft “ESV Validation Report: Powercor 2020-2021 Fire Start Report” to the AER on 30 November 2021. The AER provided a copy of this report to Powercor on 30 November 2021 and invited Powercor to respond with any comments.

Powercor wrote to the AER on 5 January 2022 confirming its general agreement with the findings of the draft validation report. Powercor also noted that it had undertaken a further review of the incident that ESV had identified as potentially originating in LBRA, the incident with a discrepancy in feeder numbers and the six incidents where ESV classified the incidents differently to Powercor.

Powercor confirmed that the incident had originated in HBRA, and therefore the total IRU amount did not need to be revised. It also identified that the feeder number in OSIRIS was incorrect and needed to be updated. As the classification differences, Powercor provided further information regarding four incidents and provided an interpretation on one classification that resulted in the classifications remaining unchanged for these incidents. Powercor also conceded that one of the incidents had been incorrectly classified. A revised fire start report was issued and this was subsequently reviewed by ESV in compiling the final validation report.

Following the validation process, ESV can confirm that the total IRU amount of 112.28 in the final Powercor 2020-2021 fire start report¹ is correct.

¹ PAL F-Factor RIN 2020-2021 (Locked) Final V1.5.xlsm

Contents

- Executive summary3**
- Introduction.....7**
 - Background.....7
 - Request from the AER7
- Validation process8**
 - Scope8
 - Methodology applied8
 - Caveats10
- Accuracy of information provided11**
 - Preliminary review.....11
 - Completeness assessment11
 - Comparative analysis — IRU-specific factors11
 - Comparative analysis — non-IRU factors12
- Verification of the IRU amount15**
 - Note on EM-COP Fire Danger Ratings data15
- Conclusion15**

Introduction

Background

The Victorian Governor in Council made the Order In Council for the F-Factor Scheme Order 2016 under section 16C of the *National Electricity (Victoria) Act 2005*. This was gazetted on 22 December 2016.

The F-factor scheme is managed by the Australian Energy Regulator (AER). Section 7 of the Order In Council identifies that the AER may request Energy Safe Victoria (ESV) to validate the fire start reports submitted to the AER by the Distribution Network Service Providers. Each fire start report will have an individual validation report.

The Order In Council stipulates that each Distribution Network Service Provider (DNSP) will provide a fire start report to the AER by 30 September each year. The Order In Council also stipulates that, if requested by the AER, ESV will provide a validation report to the AER by 30 November each year.

The Order In Council also identifies that the AER may refer any submissions regarding the validation reports to ESV in order to provide a revised validation that responds to the submissions by 15 February in the following year.

Request from the AER

On 5 October 2021, the AER provided ESV with the Powercor 2020-2021 fire start report for validation. This comprised the following documents:

- Attachment 1 – PAL F-Factor RIN 2020-2021 Final Excel spreadsheet
- Attachment 2 – Statutory declaration Powercor F-factor 2020-21 PDF document
- Attachment 3 – F-Factor Powercor Audit Opinion 2021_Signed PDF document

These documents consider the Powercor distribution system separately from other systems managed by the service provider.

As per previous practice, ESV would seek additional information directly from the DNSPs where ESV deemed it necessary for the purposes of validation. This is in line with clause 7(4) of the Order In Council. Where additional information was sought, ESV ensured that the AER was copied into any correspondence.

Validation process

While the scope of the fire start report and the validation process are detailed in the Order In Council (as outlined below), the approach to be undertaken in assessing the accuracy of information provided is not specified. This section describes the process that ESV applied to the validation assessment; the results are provided later in this report.

Scope

In reviewing the information provided in a DNSP's fire start report, clause 7(3) of the Order In Council stipulates that ESV's validation report:

- (b) must include an assessment of the accuracy of the information provided in the fire start report pursuant to clauses 6(3)(d)-(f) and (h), specifically;
- (c) must verify the estimate of the ignition risk unit (IRU) amount for the financial year provided under clause 6(3)(g).

These specific items are detailed in clause 6(3) of the Order In Council, which states that a DNSP's fire start report must, among other things:

- (d) if the Distribution Network Service Provider is the service provider in relation to more than one distribution system, distinguish between distribution systems;
- (e) list all fire starts for a financial year, stating in each case and where known;
 - (i) what kind of fire start it was;
 - (ii) the date, time and latitude and longitude for each fire;
 - (iii) the unique identification number of the pole and polyphase electric line nearest to the fire start;
 - (iv) the voltage of the electric line in which the ignition occurred;
 - (v) the estimated value of the fire start expressed in IRUs, calculated in accordance with this Order;
- (f) state whether the fire was reported to a relevant entity;
- (g) calculate the total IRU amount for the financial year on the basis of the information contained in the fire start report, in accordance with this Order;
- (h) include such other information as the AER may from time to time specify;

Clause 6(3) of the Order In Council also requires that the DNSP's fire start report:

- (i) include an independent audit of the fire start report undertaken by an external auditor;
 - (i) stating, in the auditor's opinion, whether the information contained in the fire start report is accurate and reliable; and
 - (ii) which is acceptable to the AER.

Methodology applied

For its validation assessment, ESV broke these items into the two categories:

- IRU-specific factors

These comprise those factors within the fire start report that are directly relevant to the calculation of the IRUs for the incident. Specifically these are the date, time and latitude and longitude for the fire and the distribution business' estimate of the IRUs for the fire [items (e)(ii) and (e)(v) in the Order In Council].

- Non-IRU factors

These comprise all other information reported in the fire start report [items (e)(i), (e)(iii) and (e)(iv)].

A more detailed analysis was undertaken of the IRU-specific factors than of the non-IRU factors.

ESV validated the DNSP fire start reports as follows:

- *Preliminary review*

The purpose of the preliminary review was to determine that the information provided to ESV was complete and in a satisfactory form for ESV to undertake its validation analysis.

ESV started by reviewing the documentation provided by the AER to ensure that all relevant information was provided and readable.

The DNSP's fire start spreadsheet was then subject to a preliminary, high-level review to ascertain whether there were any obvious issues with the information contained therein. If the preliminary review identified any issues, ESV would contact the DNSP so that the DNSP could provide an updated spreadsheet.

- *Completeness assessment*

The purpose of the completeness assessment was to determine whether:

- all fires in the DNSP's fire start report are listed as fires in OSIRIS²
- all network-related fires listed in OSIRIS are included in the DNSP's fire start report.

Where there were differences identified, ESV contacted the DNSP to confirm the reasons for the difference.

The DNSP then provided a rationale for the differences and, where there was a change to the information in the fire start spreadsheet, the DNSP provided an updated spreadsheet reflecting any changes and, in some instances, additional supporting information.

We reviewed the rationale and information subsequently provided by the DNSP to confirm we were satisfied with the reasons for the inclusion or exclusion of specific incidents.

- *Comparative analysis — IRU-specific factors*

The purpose of the comparative analysis of IRU-specific factors was to identify any material differences between the information reported by the DNSP in its fire start report and through OSIRIS. In determining materiality, ESV considered whether:

- any differences in the location were sufficient to result in a change to the location multiplier being applied to the fire start
- any differences in the location were sufficient to result in an incorrect CFA region being used for determining the applicable Fire Danger Rating for the fire start
- any differences in the date and time were sufficient to result in an incorrect Fire Danger Rating being applied to the fire start.

Where potentially material differences were identified, ESV contacted the DNSP to confirm the reasons for the differences.

The DNSP then provided a rationale for the differences and, where there was a change to the information in the fire start spreadsheet, the DNSP provided an updated spreadsheet reflecting any changes and, in some instances, additional supporting information.

We reviewed the rationale and information subsequently provided by the DNSP to confirm we were satisfied with the rationale and information provided.

² OSIRIS is ESV's incident reporting portal for the major electricity companies to report details of any serious electrical incidents to ESV. These incidents include a range of events that include fires involving network assets.

- *Comparative analysis — non-IRU factors*

The purpose of the comparative analysis of non-IRU factors was to identify any differences between the information reported by the DNSP in its fire start report and through OSIRIS.

Where differences were identified, ESV identified these in this validation report. The DNSP was able to comment on these differences in its response to the draft validation report.

Following the validation process, ESV then used the final data to calculate an IRU amount for each fire start. We then compared these against the IRU amounts provided by the DNSP, and a total IRU amount was calculated.

Caveats

The following caveats apply to the validation process and the contents and findings of this report:

- *Accuracy of the fire start data*

The validation process involves the comparison of two data sets — the DNSP's fire start report and incident data reported by the DNSP via ESV's OSIRIS. Where there are differences between the data reported in these two data sets, ESV has not sought to ascertain which data set provide the true and accurate record of each fire start for the purposes of this report beyond a desktop assessment.

ESV can only attest that the data provided in the fire start report is appropriate for the purposes of calculating the total IRU amount. The information provided in the DNSP's fire start report should not be used for other purposes without further analysis of the data to verify it is fit for such purposes.

- *Validation against third-party sources*

ESV has not sought to validate or verify the data in the DNSP's fire start report in its entirety against third-party sources such as the Country Fire Authority (CFA) and Melbourne Metropolitan Fire Brigade (MFB).

This is not deemed to be a significant limitation on the validation process as any fires involving network assets should be reported by the CFA/MFB to the DNSP and these are, in turn, reportable to ESV.

Individual records may have been subject to confirmation with the CFA and/or MFB on a case-by-case basis. If this has occurred, it is noted within the report.

- *Independent verification of fire starts*

ESV does not have the resources available to routinely undertake independent assessments of the DNSP's electricity network in order to ascertain whether the DNSP identifies all incidents, including fires. As such, the fire starts may be under-reported; however, we are confident that the number of such incidents is small and that no significant fires could have gone unreported.

Similarly ESV has not undertaken an independent audit of the DNSP's records to ensure their accuracy. In this regard, we have relied on this being undertaken as part of the independent audit commissioned by the DNSP, the details of which were submitted as part of the fire start report.

Accuracy of information provided

ESV undertook an assessment of the accuracy of the information provided in the Powercor fire start report in accordance with clause 7(3)(b) of the Order In Council. The following sections outline the findings of the assessment.

Further details regarding the specific incidents reported in the fire start report are available upon request.

Preliminary review

Upon receipt of the Powercor fire start spreadsheet, we undertook a preliminary review to ensure that the fire reporting spreadsheet had no obvious issues with regard to incomplete or incorrect data.

No high-level issues were identified with the documentation provided by Powercor.

Completeness assessment

We compared the records provided in the Powercor fire start spreadsheet with those available from ESV's OSIRIS incident reporting portal. This comparison was undertaken to assess the completeness of the fire start report, with specific attention paid to identifying any records missing from either data set or classified differently between the data sets.

The analysis identified three incidents in OSIRIS (20201028PWA_02, 20210330PWA_01 and 20211008PWA_01) that had not been included in the Powercor fire start report. The analysis also identified five incidents with incorrect information in OSIRIS — four had inadvertently been attributed to CitiPower rater than Powercor and one had a typographic error in the date (February 2020 rather than February 2021).

ESV wrote to Powercor on 17 November seeking clarification regarding these items. ESV also re-opened the five CitiPower incident reports in OSIRIS.

On 19 November, Powercor replied that the first two aforementioned incidents had initially been classified as originating on customer assets and were therefore not reportable under the F-factor Scheme. Subsequent review (after the fire start report was submitted) has reclassified these as network-related incidents that should have been reported to the AER. The third incident related to an incident that had originally been reported into OSIRIS under the incident number 20210104PWA_02. That report had subsequently become corrupted in OSIRIS and was replaced by incident report 20211008PWA_01; both incidents in OSIRIS represented the same fire. The new incident report had been created after the fire start report had been compiled, so the incident had been included in the original fire start report under the old OSIRIS incident number. Powercor updated and reissued their fire start report with the updated information (PAL F-Factor RIN 2020-2021 (Locked) Final V1.4.xlsm).

Powercor also confirmed that it had corrected the OSIRIS records for the five incidents mentioned above.

Comparative analysis — IRU-specific factors

We compared the location (latitude and longitude) and timing (date and time) of each record in the fire start report with the record of the same incident in OSIRIS.

As we recognised that errors may be introduced into the location data due to rounding errors and other system-induced errors, we rounded all latitudes and longitudes to five decimal places to reduce the impact of such errors on the analysis.

We then checked the location area (used to determine the location multiplier) and the CFA fire district (used to determine the danger multiplier) using the DNSP and OSIRIS location data to ascertain whether these differed from the fire start report. As such, we only consider those differences in location that were material to the calculation of the IRU amount.

In undertaking its analysis, ESV focused on those records where the differences could materially affect the IRU calculated for the fire start.

ESV applied the following tests to determine if the differences between the data sets could be material:

- **Test 1** : Is the difference in coordinates sufficient that a change in location may result in a change to the location multiplier?

The location area for each fire start was determined based on the coordinates in the fire start report and OSIRIS. This was done by identifying the location areas in which the coordinates were sited. If these differed from the location areas listed in the fire start report, the incident was investigated in more detail to identify the cause of the difference. Where necessary, the incident was referred back to the DNSP for further clarification.

- **Test 2** : Does the Fire Danger Rating applicable at the location and time for a record differ when based on the information specified in the fire start report and in OSIRIS?

The Fire Danger Rating is dependent on the location of the fire (which CFA region the fire occurred in) and the time of the fire (what was the applicable Bureau of Meteorology Fire Danger Rating at the time of the fire).

The CFA region for each fire start was determined based on the coordinates in the fire start report and OSIRIS. This was used to look up the Fire Danger Rating for that region in the spreadsheet of ratings available from the EM-COP website at the listed date and time of the fire.

The Fire Danger Rating was determined based on the coordinates and times in the fire start report and OSIRIS. If these differed from the ratings listed in the fire start report, the incident was investigated in more detail to identify the cause of the difference. Where necessary, the incident was referred back to the DNSP for further clarification.

Using these two tests, we identified one incident (20201116PWA_01) where the differences in information had the potential to materially affect the IRU for the incident. There were no issues associated with the location or timing data; the single difference related to the location area assigned to the incident. ESV then reviewed the records in EM-COP and determined that, while the location was extremely close to the HBRA boundary, the coordinates were located in LBRA (Figure 1).

Powercor reviewed the incident and, while acknowledging the asset is located right on the border of HBRA and LBRA, concluded the higher severity area was more appropriate given the area impacted by the fire.

ESV reviewed Powercor's assessment and concurred with its finding that the IRU amount for the incident should be based on the location being in HBRA. As such, there was no material change from Powercor's original assessment.

Comparative analysis — non-IRU factors

ESV undertook a comparison of the data in the Powercor fire start report and OSIRIS related to:

- the pole and polyphase electric line identification numbers
- the voltage of the electric line
- the kind of fire start.

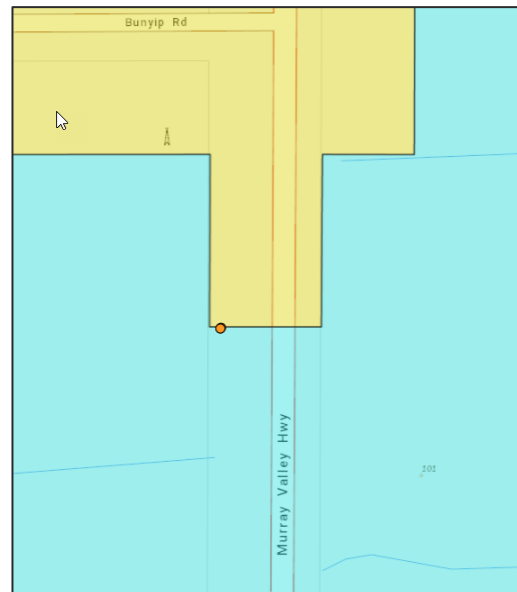


Figure 1: Location of incident 20201116PWA_01 relative to the LBRA (blue) and HBRA (yellow) boundaries

A direct comparison was made of the details of the pole and line identification numbers and line voltage in the fire start report and OSIRIS. This did not require any subjective assessment. The comparison identified no incidents with differences in the pole identification number between the fire start report and OSIRIS, one incident (20210112PWA_04) where there was a difference in the line identification number (“TRG022” in the fire start report and “TRG002” in OSIRIS) and no differences in the voltages reported in the fire start report and in OSIRIS.

Powercor reviewed the OSIRIS incident report and the fire start report against its internal incident documentation and concluded that the line identification number in its fire start report was correct. The OSIRIS report was re-opened for Powercor to update the feeder number.

Details from OSIRIS were used to determine whether the kind of fire start had been correctly identified. This involved a subjective assessment of the information.

The assessment of the kind of fire identified six fire starts where ESV would have classified the fire differently to Powercor. These were:

- Incident 20210528PWA_01

Powercor classified this incident as “started in or originated from a distribution system”, but ESV’s review identified that this incident was “started by any other thing forming part of or coming into contact with a distribution system”. The OSIRIS incident report submitted by Powercor attributed the incident to an earlier vehicle collision with the pole and distribution assets, even though this has previously been questioned by the ESV Investigations Officer.

Powercor reviewed the incident and advised that there was no clear link to a vehicle impact and that the primary cause was asset failure. The OSIRIS incident report was re-opened for Powercor to amend its previous findings.

- Incidents 20200929PWA_01 and 20201020PWA_02

Powercor classified these incidents as “started in or originated from a distribution system”, but the OSIRIS records would indicate that this incident was “started by any person, bird, reptile or other

animal coming into contact with a distribution system". The OSIRIS reports submitted by Powercor for both incidents attributed the incident to bird or animal contact.

Powercor reviewed both incidents and advised that bird contact was not the cause and that fuses failing to operate as designed were the cause of both incidents. The OSIRIS incident reports were re-opened for Powercor to amend its previous findings.

- Incident 20200826PWA_02

Powercor classified this incident as "started in or originated from a distribution system", but ESV's review identified that this incident was "started by any tree, or part of a tree, falling upon or coming into contact with a distribution system". In its incident report, Powercor had advised that the cause of the incident was a large tree falling across the powerlines and causing a phase-to-phase fault.

Powercor reviewed the incident and advised that there was no evidence of fire at the tree contact location. It also advised that the incident was due to a fuse failing to operate as designed. The OSIRIS incident report was re-opened for Powercor to amend its previous findings.

- Incident 20210125PWA_03

Powercor classified this incident as "started by any other thing forming part of or coming into contact with a distribution system", but ESV classified it as "started by any tree, or part of a tree, falling upon or coming into contact with a distribution system". The incident resulted from vegetation being blown onto overhead powerlines. While this didn't strictly involve a tree contacting the distribution asset, ESV has interpreted this classification as relating more broadly to vegetation contact regardless of the type of vegetation.

Powercor reviewed ESV interpretation of the classification and has suggested that, in its opinion, ground-based detritus being blown onto overhead powerlines is more appropriately classified as "started by any other thing forming part of or coming into contact with a distribution system". ESV reviewed Powercor's argument and concurs that Powercor has classified the incident appropriately.

- Incident 20201223PWA_02

Powercor classified this incident as "started by lightning striking a distribution system or a part of a distribution system"; however, the OSIRIS incident report submitted by Powercor had no mention of lightning. ESV has instead classified this incident as "started in or originated from a distribution system".

Powercor reviewed the incident and concurred with ESV that the classification should have been "started in or originated from a distribution system". A revised fire start report (*PAL F-Factor RIN 2020-2021 (Locked) Final V1.5.xlsm*) was issued reflecting this change.

None of the differences above had a material impact on the total IRU calculation.

Verification of the IRU amount

Following the validation of individual records, ESV compiled any changes to the fire start records and assigned the corresponding location and danger multipliers. The individual and total IRU amounts were then calculated.

We then compared our location and danger multipliers with those of Powercor to determine whether Powercor had correctly assigned the multipliers for each fire start. There were no differences in the multipliers or IRU amounts.

As part of the validation process, ESV identified one difference in the fire start report that had a material impact on the total IRU amount — incident 20201116PWA_01. Powercor provided further discussion of this incident in its response to the draft validation report. ESV reviewed this information and concurred that the location area used by Powercor was appropriate and, as such, the total IRU amount in its fire start report did not need to be amended.

ESV has identified that the total IRU amount of 112.28 as reported in the final fire start report (*PAL F-Factor RIN 2020-2021 (Locked) Final V1.5.xlsm*) is correct.

Note on EM-COP Fire Danger Ratings data

The EM-COP website provides a function whereby users can download a spreadsheet of the historic Fire Danger Ratings for use in the F-factor reporting process. The DNSPs use this data to determine the appropriate Fire Danger Ratings to attach to their fire start reports.

In previous years, ESV identified that the spreadsheet included several types of suspect data:

- repeated rows the time stamp is the same as the previous row and the FDR data is duplicated
- new data the time stamp is the same as the previous row but the FDR data has been altered, generally to include a row of zeroes that is interpreted as “no forecast”
- backward step the time stamp for the row pre-dates the previous row, generally without changing the data

While there were still errors in the spreadsheet, there were no errors in the data for the 2020-2021 financial year that would affect the DNSP fire reporting or the ESV validation processes.

Conclusion

As noted earlier, the Order In Council stipulates that this validation report:

- (b) must include an assessment of the accuracy of the information provided in the fire start report pursuant to clauses 6(3)(d)-(f) and (h), specifically:
- (c) must verify the estimate of the ignition risk unit (IRU) amount for the financial year provided under clause 6(3)(g).

Table 1 identifies where these items have been assessed within this report and summarises the key findings of the validation assessment.

Table 1: Summary of findings

Statistic	Relevant report section	Key findings
Clause 6(3)(d)	Request from AER	The fire start report addressed the Powercor distribution system separately from other systems managed by the service provider.
Clause 6(3)(e)(i)	Comparative analysis — non-IRU factors	<p>There were six differences between the assessment of the fire type made by Powercor and that made by ESV.</p> <p>Powercor provided further details supporting its classification of five classifications and agreed that one incident had been incorrectly classified. ESV concurs with the Powercor classifications and re-opened the incident reports for the OSIRIS reports to be corrected.</p> <p>These differences were not material to the calculation of the total IRU amount.</p>
Clause 6(3)(e)(ii)	Comparative analysis — IRU-specific factors	<p>There were no material differences in the date and time of incidents in the Powercor fire report.</p> <p>There was one difference in the assigned location area that was material to the calculation of the total IRU amount. Powercor reviewed the incident and, while acknowledging the asset is located right on the border of HBRA and LBRA, concluded the higher severity area was more appropriate given the area impacted by the fire. ESV reviewed Powercor's assessment and concurred with its finding.</p>
Clause 6(3)(e)(iii)	Comparative analysis — non-IRU factors	<p>There were no differences between the fire start report and OSIRIS in relation to pole identification numbers.</p> <p>There was one difference between the fire start report and OSIRIS in relation to polyphase electric line identification numbers. Powercor confirmed that the fire start report was correct and will update its OSIRIS incident report.</p> <p>This difference was not material to the calculation of the total IRU amount.</p>
Clause 6(3)(e)(iv)	Comparative analysis — non-IRU factors	There were no differences between the fire start report and OSIRIS in relation to voltage of the line involved in the fire.
Clause 6(3)(e)(v)	Verification of IRU amount	The total IRU amount of 112.28 provided in the fire start report (<i>PAL F-Factor RIN 2020-2021 (Locked) Final V1.5.xlsm</i>) is correct.
Clause 6(3)(f)	Completeness assessment	Powercor had reported all fires to ESV as the relevant entity.