

Assessment of Network Outage Event on 4 November 2021 – Alcan Gove Pty Ltd

Alcan Gove Pty Ltd (Alcan Gove) holds a [section 87 exemption](#) under the [Electricity Reform Act 2000](#), which allows it to operate in the Territory's electricity supply industry, including the operation of an electricity network in the township of Nhulunbuy. Alcan Gove's exemption includes [guaranteed service levels](#) under the [Electricity Industry Performance Code](#).

Guaranteed service levels provide for payments to eligible customers when performance does not meet the defined standard of service. Alcan Gove is required to report to the Commission on its guaranteed service level performance each year, with an assessment of this performance published in the Commission's [Township of Nhulunbuy Guaranteed Service Level Performance Report](#).

The [Electricity Industry Performance Code](#) sets out certain exclusions from guaranteed service level payments, including natural events identified as statistical outliers by the US Institute of Electrical and Electronic Engineers 2.5 beta method (the beta method). The beta method is a statistical method to identify network outage events that are outside normal operational boundaries.

On 4 November 2021, a lightning strike caused a town-wide network outage in Nhulunbuy which lasted for 37 minutes. As the network licensee, Alcan Gove notified the Commission that a natural event occurred, which was, or may be identified as, a statistical outlier using the beta method. On 26 November 2021, Alcan Gove submitted a report to the Commission in accordance with the [Electricity Industry Performance Code](#) requesting the Commission consider excluding the network outage from [guaranteed service level](#) payments.

The relevant [guaranteed service level](#) payments include payments to customers who experience more than 12 interruptions in a financial year, or experience more than 40 cumulative hours of interruptions in a financial year.

Assessment

The beta method refers to a statistical outlier as a 'major event day (MED)'. A MED is a day in which the daily system average interruption duration index (SAIDI) exceeds a threshold value (T_{MED}).

The Commission assessed network outage data with reference to the beta method and found that the network outage event on 4 November 2021 was not a statistical outlier for the purposes of clause 5.4.1 of the [Electricity Industry Performance Code](#), as shown in Table 1.

Table 1: Summary of Commission's findings of the network outage event on 4 November 2021

Network	Network outage event date	T_{MED}	Daily SAIDI	MED
Nhulunbuy	04-11-2021	508	37	No

Decision

The Commission determined that the network outage event which occurred on 4 November 2021 does not meet the threshold for a 'natural event' under clause 5.4.1 of the [Electricity Industry Performance Code](#) as it is not a statistical outlier using the beta method. This is confirmed by clause 7.2.3(f) of the [Electricity Industry Performance Code](#), which only allows exclusion of an event from [guaranteed service level](#) payment consideration where it is "a natural event identified as a statistical outlier using" the beta method. Therefore, the Commission has decided the network outage event on 4 November 2021 cannot be considered as an excluded event for the purposes of assessing Alcan Gove's potential obligation to make [guaranteed service level](#) payments under clause 4.1 and for reporting purposes under clause 5 of the [Electricity Industry Performance Code](#).