
From: Simon Fleisher <simon.fleisher@wellingtoncablecar.co.nz>
Sent: Thursday, 23 November 2017 9:19 a.m.
To: regulation.branch
Subject: Wellington Electricity Earthquake Resilience

Submission on Wellington Electricity Earthquake Resilience

Reference:

Commerce Commission Discussion Paper dated 14 November 2017 (Our proposed approach to assessing Wellington Electricity's proposal for additional expenditure to improve its resilience and response to a major earthquake)

1. Please find enclosed a submission on your proposal to allow Wellington Electricity to proceed with a simplified Customised Price Path (CPP) submission to be able to spend money to improve its network's resilience and ability to restore electrical power to the region more quickly after a large earthquake.
2. I am the Chief Executive of Wellington Cable Car Limited, and I also have part-time roles as (a) the Local Civil Defence and Emergency Management (CDEM) Controller for Wellington City Council (WCC) and (b) a Director of Waipa Network Limited. I was the primary Local CDEM Controller for WCC throughout the response effort to the Kaikoura earthquake in November 2016. For information, I have an engineering background, and am a Chartered Professional Engineer (CPEng) and Chartered Member of Engineering New Zealand (CMEngNZ).
3. My experience as a CDEM Controller and my knowledge of the local geography and seismic risk that Wellington faces has illustrated to me the importance of an electricity network that is resilient and capable of reconfiguration to permit restoration of supplies in the aftermath of a large natural hazard (for example, an earthquake and/or a tsunami). Electricity is one of the key lifeline utilities and experience gained over many years while responding to CDEM emergencies has highlighted the virtual impossibility of getting a community back on its feet without electricity supplies.
4. The risk environment in Wellington is particularly challenging due to its relatively isolated location at the bottom of the North Island, and the region is faced with the potential for protracted power outages for many weeks in the event of a large earthquake, which would be very debilitating for the community, and would probably lead to widespread migration (temporary or permanent) if these could not be resolved relatively quickly. Bearing in mind that Wellington is also the seat of government, the potential impact is so significant that this justifies considerable additional investment to allow the community and government functions to be able to continue, acknowledging that provision of reliable and adequate electricity is vital to facilitate this. As a consequence, I strongly support the position that additional expenditure to improve the resilience of the network is justified.
5. My experience and knowledge of the process that Wellington Electricity have been through to identify what can be done to improve their network to meet the objectives, in conjunction with other key stakeholders (including Transpower, Greater Wellington Regional Council and Wellington City Council) has been thorough and proportionate. It is also consistent with and has learnt from similar activities that Orion Energy have previously undertaken in Christchurch before and after the 2010/2011 Canterbury earthquakes. It is worth noting that Orion Energy have been noted as an exemplar in terms of being proactive and proportionate to improve their network's resilience and ability to be able to be restored in the aftermath of a large natural hazard.
6. Wellington Electricity's efforts in this regard are also part of a larger body of work that is being organised by the Wellington Region Lifelines Group (which includes a business case to investigate the feasibility, costs and benefits of a package of works across various utilities including electricity, water and roads).
7. In summary, I strongly support Wellington Electricity's approach to this difficult and challenging problem, and I also support the Commerce Commission's approach to dealing with the simplified CPP submission, noting that

it is in response to a Government Policy Statement arising from the events and damage caused by the Kaikoura earthquake in November 2016.

8. Thank-you for the opportunity to comment on this submission, and I would be very happy to provide more supporting information if required.

Kind Regards,

Simon Fleisher | Chief Executive Officer | WCC Civil Defence Controller
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