

Jurisdictional network performance requirements

Appendix 25



Tasmanian Networks Pty Ltd



Transend Networks Pty Ltd

Jurisdictional network performance requirements

The jurisdictional network planning requirements which apply to the Tasmanian transmission network are contained in the *Electricity Supply Industry (Network Planning Requirements) Regulations 2007* (the Regulations). These regulations were enacted in 2007 and amended by the Tasmanian Government in 2013 following a two year consultation and drafting period.

Summary of the 2013 network planning requirements

The objects of these regulations are to specify, for the purposes of the National Electricity Rules:

- a the network performance requirements to be taken into account in power system planning in respect of a relevant transmission system; and
- b the service standards that a Provider must take into account, for the purposes of the regulatory investment test for transmission, in carrying out power system planning in respect of a relevant transmission system

and to allow, in respect of certain augmentations, for exemptions from such requirements and standards.

The Regulations apply to the parts of the transmission system used to provide prescribed transmission services.

The changes to the Regulations in 2013 preserve the previous minimum network performance requirements strengthen the role of our transmission customers in planning for the transmission system. Under the new regulations, affected customers will have the option to explicitly accept a lower standard of reliability.

Transend had significant involvement in the consultation and development of these Regulations which aligned with our strategies to look after our customers and drive down costs.

Minimum network performance requirements

Regulation 5 sets out the minimum network performance requirements in planning for the transmission system. The minimum network performance requirements are:

- no credible contingency event will interrupt more than 25 MW of load;
- no single asset failure will interrupt more than 850 MW of load, or, in any event, cause a black system;
- the unserved energy to loads interrupted as a result of damage to a network element related to a credible contingency event must not exceed 300 MWh;
- the unserved energy to loads interrupted as a result of a single asset failure must not exceed 3,000 MWh; and
- where a network element has been withdrawn from service for replacement, maintenance or repair, the energy exposed to interruption by a credible contingency event must not exceed 18,000 MWh.

The Regulations do not prescribe that the network will meet these requirements in all operational circumstances, which is why the Regulations are known as “network planning requirements”. The network planning requirements are performance-based, in that they specify the performance that the network should meet, and are not prescriptive in terms of how that performance is to be achieved.

Ministerial approval process

Regulation 6 requires us to apply to the Minister for approval in circumstances in which the proposed augmentation is required to meet the network planning requirements and the cost exceeds \$35 million. This cost threshold was set in 2013 and is indexed annually.

After considering the application, the Minister may:

- a approve the proposed augmentation if satisfied that its direct and indirect economic, social and environmental benefits outweigh its direct and indirect economic, social and environmental costs;
or
- b refuse to approve the proposed augmentation if not so satisfied.

Exemption from the Performance Requirements

The Regulations contain a process whereby following customer consultation with all affected transmission customers (defined terms in the Regulations) we can be exempt from meeting a particular aspect of the minimum network performance requirements for a period of up to five years.

An exemption ceases if the circumstances surrounding the exemption materially change or if an affected transmission customer notifies that its circumstances have changed.

The exemption process was introduced in the 2013 revised Regulations.