

# Networks Information Requirements Review

## Workshop 7: TNSP Service Performance and Other Information

Summary

29 September 2022

## **Networks Information Requirements Review: TNSP Service Performance and Other Information Workshop (Workshop 7)**

**Date of Workshop: 29 September 2022**

### **Attendees**

Attendees included representatives from: AER, AusNet Services, ElectraNet, Evoenergy, Powerlink, Rosetta Analytics, TasNetworks and Transgrid.

### **Workshop structure**

The group discussed STPIS data reporting including the timing of submissions and assurance requirements. The group discussed the new data requirements for Safety and Major Event. The group reviewed issues on the register relating to Demand Management Incentive Scheme reporting requirements.

The issues register (with responses), the data use cases and the new data requirements for Safety were provided to workshop participants prior to the workshop via our website. See [Workshop materials](#).

## **Topic 1. Service Target Performance Incentive Scheme (STPIS) data series**

### **Workshop discussion**

The AER noted that while only a single issue was raised on the STPIS data, consideration of the issue covers a lot of different elements.

Critically the question was raised as to why the duplicate reporting is required: both in very early February (as an input to the annual STPIS assessment process) and again with the benchmarking RIN in October. The AER reviewed the underlying data submissions and noted the October submission includes external assurance on the information, that is not possible for the February submission. It noted it has begun a process to assess the value of that external assurance process, given some of the data is subject to detailed scrutiny and reconciliation by the AER. However, it also noted the weight the AER places on the independent assurance process.

The discussion then focussed on each of the three STPIS parameters, service performance, market impact and network capability.

### ***Service performance parameter***

The TNSPs clarified the data submitted in February of each year only incorporates a single year of performance measure relating to the 12 months of the immediately preceding calendar year. The data is reviewed by the AER, and may be subject to updates, which are finalised in March. This updated data is reported in the annual benchmarking RIN submissions in October. [AER NOTE: July for AusNet Services (T)]

ElectraNet stressed the assurance process does not assess the data in detail, but is a review of systems and procedures used to compile the data. The auditors would only reconcile the RIN data with the service performance outcomes agreed by the AER in the preceding March.

Powerlink noted and supported the update to the consultation workbooks that allows networks to report information based on the current version of the STPIS that applies to them.

### ***Market impact parameter***

The AER again noted the duplicate submissions, with detailed data submitted in February subject to scrutiny by the AER and reconciliation against AEMO records; and summary information submitted in October each year.

In this instance the AER flagged it places less value on the external assurance process, given the detailed review undertaken by the AER. It asked whether it would be possible to get the MIC data submitted more frequently to enable AER to undertake its review in a more timely manner throughout the year. In response, the TNSPs stressed the additional burden it would place on them, in terms of preparation and internal assurance processes. They strongly supported retaining the single annual submission of MIC data in February. Powerlink also noted that there is an existing process in mid-January for AEMO to re-run the dispatch process to fill any data gap for the preceding calendar year, so early submissions may not be reliable, and would not reduce the effort on the AER after the February data is provided.

Powerlink also noted the MIC data requirement in the consultation workbooks required multiple years of disaggregated monthly data (planned/unplanned; without exclusions/with exclusions) and queried the value of collecting this information. The AER noted the requirements reflect current Reset RIN requirements, and it was trying to minimise the need for collecting historical data in the Reset RIN, if it has been provided as part of the annual RIN submission.

### ***Network capability parameter***

The AER again noted the value it places on external assurance, and clarified that the current reporting arrangements include annual reporting of NCIPAP projects through the regulatory accounts.

ElectraNet noted the low overall value of NCIPAP projects, compared to other capex, and raised a concern about the cost of auditing project specific information for low value projects, given that other project specific reporting is not required and therefore not subject to audit. The AER responded that as the project costs are recovered via the STPIS and subject to amendments if project outcomes are not met, it is appropriate to subject them to external audit, even though the total cost is relatively small.

## **Topic 2. Safety and major event information**

The AER did not address specific issues in the workshop but presented an overarching response to the multiple issues raised. (Also refer to the notes to workshop 8).

The AER noted that the indicative requirements around safety activities and expenditures, and major event activities and expenditures were signalling the AER's interest in this information, but were not fully developed requirements. The comments in the response to the Discussion paper requesting definitions and more detail on the information requirement have been taken into account as we refined our needs.

We are removing the information requirements associated with major events, and have focussed on the reporting of safety incidents. A workbook published with the workshop materials sets out the data requirements and proposed definitions for safety incident reporting.

The AER noted the definitions for safety incidents were based on existing definitions used by jurisdictional regulators, but stressed we were trying to drive consistency in reporting across jurisdictions.

AusNet Services noted the need to incorporate a time dimension to the definitions of incidents, noting the current definitions in Victoria limit the reporting to incidents requiring immediate response.

Powerlink also raised concerns about the definition of 'safe operation of the network' and how any data to meet that requirement is going to be reported – noting it has not been included in the new material. In response the AER advised it is trying to map various O&M activities currently reported by asset groups to the additional information on asset age, currently reported a detailed asset categories. It is investigating if the existing data can be

used (or modified) to analyse the asset failures and replacements, through the lens of asset inspection and maintenance activity.

### **Topic 3. Demand management information**

The AER noted there are specific concerns about information on demand management activities and expenditures, but as per the issues register, was not proposing to amend the current data requirements.

### **Topic 4. Other issues**

#### **Data redundancy**

AusNet Services queried the AER's decision making process in regards to finalising data requirements. The AER advised the decision to serve the regulatory instrument is a Board decision, which encompasses detail of the data requirements (including identification of redundant data). However, AER staff views on the need for data, and use cases would be taken into account by the Board.

AusNet Services also asked if there was likely to be a requirement to provide multiple years of historical data under the new instrument – especially the new data requirements. The AER advised that it would depend on the process followed to specify the new data requirements, and in some cases (profitability, export services) to development of data requirements means that we already have some historical data. While the AER values time series data, the need for any 'backcasting' of new data series would be assessed on a case by case basis.

### **Topic 5. Next steps**

The AER advised the next steps are as follows:

- October 2022: resolve outstanding issues, follow up on action items from workshops and issues register
- December 2022: Preliminary information instruments – published for consultation
- June 2023: Draft information instruments – published for consultation
- June 2023: Proposed rule change (Transmission Information Guideline) consultation and submission to AEMC
- September 2023: Final information instruments issued.
- October 2024: First reporting year (for the 2023-24 regulatory year)

The AER noted there is some risk the December 2022 milestone may slip to January 2023.