

12 January 2021

Mr Adam Wilson
Chief Executive Officer
Essential Services Commission of South Australia

Via email: adam.wilson@escosa.sa.gov.au

Dear Adam

re: Review of the Electricity Transmission Code – 2023-2028

ElectraNet has been subject to the Electricity Transmission Code (ETC) since its inception following privatisation of the electricity industry in South Australia. The ETC establishes the reliability standards framework for the South Australian electricity transmission system.

Most importantly, the ETC establishes the planning and restoration standards to be maintained for the various categories of customer connection exit points. This framework provides certainty and transparency concerning transmission supply reliability for South Australian electricity customers, based on standards that are calculated probabilistically and expressed on a deterministic basis.

Historically, reviews of the ETC have occurred ahead of ElectraNet's five yearly revenue determination process allowing any material changes to the exit point standards to be reflected in our Revenue Proposal to the Australian Energy Regulator. These reviews have considered changes in key factors such as forecast maximum demand levels at connection points and how these changes impact on the appropriateness of the associated connection point reliability standards.

As it is not apparent that any material changes in these key factors – such as increases in maximum demand – have occurred or are forecast to occur during the review period, ElectraNet does not believe that a full review of the connection point reliability standards of the ETC is warranted ahead of the coming five year regulatory control period commencing on 1 July 2023.

In reaching this position ElectraNet is mindful that it remains subject to the requirements of clause 2.3.2 of the ETC which specifies that, in the event ElectraNet is required to undertake augmentation or replacement expenditure above the Regulatory Investment Test for Transmission (RIT-T) cost threshold of \$6 million to satisfy a reliability standard, it must submit the underpinning economic analysis to the Commission for review. This maintains an appropriate level of transparency and scrutiny over any such expenditure driven by the requirements of the ETC.

While ElectraNet does not see the need for a full review of the exit point standards under the ETC, we are aware of a number of relatively minor issues to be considered in the course of a routine review and update of the ETC.

These include:

- The need for alignment between the definition of emergency in the ETC and under the *Emergency Management Act 2004*;
- The removal of Leigh Creek Coalfield connection point from the ETC; and
- Various administrative updates and clarifications.

We look forward to your response on how the Commission plans to proceed with the ETC review.

Should you have any queries or require additional information in relation to the above, please feel free to contact Bill Jackson in the first instance on (08) 8404 7969.

Yours sincerely



Rainer Korte
Group Executive Asset Management