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Electricity

Electricity Transmission Code Review 2021

Draft Decision

March 2021

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Request for submissions

The Essential Services Commission (**Commission**) invites written submissions from members of the community on this paper. Written comments should be provided by **10 May 2021**.

It is the Commission's policy to make all submissions publicly available via its website (www.escosa.sa.gov.au), except where a submission either wholly or partly contains confidential or commercially sensitive information provided on a confidential basis and appropriate prior notice has been given.

The Commission may also exercise its discretion not to publish any submission based on length or content (for example containing material that is defamatory, offensive or in breach of any law).

Responses to this paper should be directed to: **Electricity Transmission Code Review 2021**

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Glossary of terms

AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Code	Electricity Transmission Code
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
ElectraNet	ElectraNet SA Pty Ltd
Electricity Act	<i>Electricity Act 1996</i>
Emergency Management Act	<i>Emergency Management Act 2004</i>
ESC Act	<i>Essential Services Commission Act 2002</i>
NER	National Electricity Rules

Executive summary

ElectraNet Pty Ltd (**ElectraNet**) is the monopoly provider of electricity transmission services in South Australia. The Essential Services Commission (**Commission**) has issued to ElectraNet an electricity transmission licence, which authorises it to operate the majority of the transmission network in South Australia. As a licence condition, ElectraNet must comply with the requirements of the Electricity Transmission Code (**Code**), an industry code pursuant to Part 3 of the *Essential Services Commission Act 2002*.

The Code forms part of the broader regulatory framework that applies to electricity transmission services in the National Electricity Market. The National Electricity Rules (**NER**) establish technical standards (dealing with matters such as network frequency, system stability, voltage quality and fault clearance). The Commission's role is confined to the development and monitoring of jurisdictional service standards, complementing the NER technical standards.

Under the Code, ElectraNet must comply with obligations relating to the quality, safety and reliability of electricity transmission services (including minimising supply interruptions and informing customers about planned outages). It must also use best endeavours to plan, develop and operate the electricity transmission network to meet the standards imposed by the NER in relation to the quality of transmission services and the transmission network.

The Commission is reviewing and publicly consulting on proposed amendments to the Code. The timing of this review has been determined so that any amendments can be accounted for in ElectraNet's revenue submission to the Australian Energy Regulator for the regulatory period from 1 July 2023 to 30 June 2028.

The current reliability standards remain appropriate

On 12 January 2021, ElectraNet submitted to the Commission that there has not been any material change in circumstances since the previous review in 2016 that would warrant a full review of exit point reliability standards.

Having considered the available evidence, the Commission's Draft Decision is that no changes to the current exit point reliability categories are required at this time. The Commission's assessment has considered the following key factors relevant to the determination of the exit point reliability standards, as set out in clause 2.12.2 of the Code:

- ▶ any recommendations of the Australian Energy Market Operator
- ▶ the size of the load
- ▶ the value of lost load and types of customers
- ▶ the number of customers, and
- ▶ the cost of installation of transmission assets relevant to the exit point.

In reaching this Draft Decision, the Commission notes that if ElectraNet were to propose future investment over \$6 million to satisfy a reliability standard in the Code, then clause 2.3.2 of the Code requires ElectraNet to submit its analysis for the Commission's review.

Minor amendments are proposed

The proposed amendments to the Code are limited to:

- ▶ removing the Leigh Creek Coal exit point from the Code
- ▶ clarifying the notification requirements in the Code in relation to unplanned interruptions, and
- ▶ addressing minor spelling errors in the Code.

While the scope of the proposed amendments is limited, the Commission is open to discussion on any other matters that are relevant to the Code, which may need to be addressed in this review or at a later date.

Next steps

The Commission welcomes written submissions on this Draft Decision by **Monday, 10 May 2021**. The Commission also invites discussions with stakeholders on any of the matters raised in this Draft Decision or on any related matters.

Following consideration of the issues raised in submissions, the Commission will release its Final Decision in June 2021. The new Code will take effect on the date of notification of the amendments in the South Australian Government Gazette.

1 The review

1.1 Purpose of the review, legislative framework and background

The Essential Services Commission (**Commission**) is reviewing and publicly consulting on proposed amendments to the Electricity Transmission Code (**Code**),¹ an industry code made pursuant to Part 3 of the *Essential Services Commission Act 2002* (**ESC Act**).² The review is being conducted in advance of the five year revenue control period, administered by the Australian Energy Regulator (**AER**), to commence 1 July 2023 for South Australia's major electricity transmission business, ElectraNet Pty Ltd (**ElectraNet**).³ In making the Code, the Commission seeks to meet its primary statutory objective (as specified in section 6 of the ESC Act): to protect the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

The Code forms part of the broader regulatory framework that applies to electricity transmission services in the National Electricity Market. The National Electricity Rules (**NER**) establish technical standards (dealing with matters such as network frequency, system stability, voltage quality and fault clearance). The Commission's role is confined to the development and monitoring of jurisdictional service standards, complementing the NER technical standards.

The Code sets requirements for transmission entities that are additional to those set under the NER and *Electricity Act 1996* (**Electricity Act**), including:

- ▶ reliability standards
- ▶ requirements relating to infrastructure failures
- ▶ design requirements
- ▶ technical requirements
- ▶ access to sites requirements
- ▶ telecommunications access requirements, and
- ▶ emergency requirements.

A key element of the Code is the setting of exit point reliability standards that ElectraNet must comply with.⁴ The Code contains five reliability categories for exit points on ElectraNet's transmission network. Each exit point category has specific reliability and supply restoration standards.

Category 1 has the lowest reliability and supply restoration requirements and Category 5 has the highest. The categorisation of exit points is based on the Commission's periodic assessments as to whether the costs of replacing or augmenting each exit point are outweighed by the value to customers of the differential in reliability that would result.

¹ The Code is available at: <https://www.escosa.sa.gov.au/industry/electricity/codes-guidelines/codes>.

² Section 28(1) of the ESC Act provides the Commission with the power to make industry codes and rules relating to the conduct or operations of a regulated industry or regulated entities. Section 14D of the *Electricity Act 1996* declares the electricity supply industry to be a regulated industry for the purposes of the ESC Act.

³ Although there are other transmission network operators in South Australia, the transmission networks operated by these entities do not intersect with the main transmission network in South Australia, which is operated by ElectraNet.

⁴ Clauses 2.4 to 2.9 of the Code. Exit point reliability standards under the Code only apply to ElectraNet.

In effect, the standards require a level of security (or redundancy) to be built into ElectraNet's transmission system so that it can, in most cases, maintain a continuous electricity supply. Further, when network elements fail, the standards require restoration within specified timeframes.

The Commission has the power to vary or revoke an industry code.⁵ As part of the process for varying a code, the Commission must consult with the Minister for Energy and Mining and such representative bodies and participants in the regulated industry as the Commission considers appropriate.⁶

The Electricity Act does not state when the Commission must review the Code or what aspects of the Code must be reviewed. The Code was last comprehensively reviewed in 2016 ahead of ElectraNet's 2018 to 2023 regulatory control period, as administered by the AER. That review included an assessment by the Australian Energy Market Operator (AEMO) of whether the reliability categories remained appropriate for each exit point.⁷ The review found that no upgrades were warranted, based on demand projections and other relevant factors such as the value to consumers of reliability and the expected reliability of the network at each exit point.

Since the review in 2016, minor amendments have been made to the Code in 2018,⁸ to clarify a range of obligations under the Code, and in 2019⁹ and 2020,¹⁰ to allow for a temporary exit point at Mt Gunson South to service the Carrapateena Mine, and then to replace that exit point with the permanent Davenport MGS exit point.

1.2 Scope of review

The Commission is reviewing and publicly consulting on proposed amendments to the Code. The timing of this review has been determined so that any Code amendments can be accounted for in ElectraNet's revenue submission to the AER for the regulatory period from 1 July 2023 to 30 June 2028.

On 12 January 2021, ElectraNet submitted to the Commission that there has not been any material change in circumstances since the previous review in 2016 that would warrant a full review of exit point reliability standards.¹¹ As part of the submission, ElectraNet proposed several minor amendments to the Code. On 24 February 2021, ElectraNet provided further information regarding proposed amendments.¹²

Consideration of ElectraNet's submission in regard to maintaining current exit point reliability categories is set out in Chapter 2. Consideration of the other minor amendments to the Code is set out in Chapter 3.

⁵ Section 28(2) of the ESC Act allows the Commission to vary or revoke an industry code or rule.

⁶ Section 28(3) of the ESC Act sets out consultation requirements for varying or revoking codes or rules.

⁷ Commission, 'Electricity Transmission Code review – Final decision', 2016, available at: <https://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/electricity-transmission-code-review-2018-2023-regulatory-period/electricity-transmission-code-review-2018-2023-regulatory-period>.

⁸ Commission, '2018 review of the Electricity Transmission Code', 2018, available at: <https://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/electricity-transmission-code-review-2018>.

⁹ Commission, 'Variation to the Electricity Transmission Code – new exit point at Mount Gunson South', 2019, available at: <https://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/electricity-transmission-code-variation-2019>.

¹⁰ Commission, 'Variation to the Electricity Transmission Code: Davenport MGS exit point', 2020, available at: <https://www.escosa.sa.gov.au/projects-and-publications/projects/electricity/transmission-code-variation-2020>.

¹¹ ElectraNet, 12 January 2021, available at: <https://www.escosa.sa.gov.au/ArticleDocuments/21652/20210322-Electricity-TransmissionCodeReviewSubmission-ElectraNet.pdf.aspx?Embed=Y>.

¹² ElectraNet, 24 February 2021, available at: <https://www.escosa.sa.gov.au/ArticleDocuments/21652/20210322-Electricity-TransmissionCodeReviewSubmission-Electranet-clarification.pdf.aspx?Embed=Y>.

2 Review of reliability standards

2.1 Considerations for setting and reviewing exit point reliability standards

On 12 January 2021, ElectraNet submitted to the Commission that a full review of individual exit point reliability standards was not warranted because key factors, such as the maximum levels of demand, had not changed substantively since the previous review.

Having considered the available evidence, the Commission's draft decision is that no changes to the current exit point reliability categories are required at this time. The Commission's assessment has considered the following key factors set out in clause 2.12.2 of the Code:

Any standards submitted under clause 2.12.1 must be developed having regard to:

- ▶ *any recommendations of AEMO*
- ▶ *the size of the load*
- ▶ *the value of lost load and types of customers*
- ▶ *the number of customers, and*
- ▶ *the cost of installation of transmission assets relevant to the exit point.*

These factors form the basis of an initial determination of which reliability category should apply to an exit point. The lowest reliability category (category 1) applies to exit points with relatively smaller electricity demand (the size of the load) and lower total value of that electricity to customers (which differs depending on the number and type of customers).

As circumstances change, an exit point may need to be reclassified into a different reliability category. However, changes to the factors listed in clause 2.12 should not be viewed in isolation. For example, an increase in demand may not justify an upgrade if the customer mix also changed and the overall value to customers of reliability was therefore lower. An upgrade to a higher reliability category would be appropriate where the benefits of that upgrade to customers outweighed the cost of the upgrade (see section 2.2, below).

Furthermore, notwithstanding assessments of costs and benefits, a key point of interaction between the Code and the NER arises from the NER requirement that any new assets constructed by ElectraNet, including those required to meet a standard mandated under the Code, must satisfy a regulatory test referred to as a Regulatory Investment Test – Transmission (**RIT-T**). Accordingly, if ElectraNet were to propose an upgrade over a certain value to satisfy a reliability standard in the Code, clause 2.3.2 of the Code requires ElectraNet to submit its analysis for the Commission's review. The cost threshold for the RIT-T is currently set at \$6 million.¹³

2.2 Assessment of ElectraNet's submission

As a cross-check of ElectraNet's submission, the Commission considered the costs and benefits of upgrading exit points to a higher reliability category. The typical approach to assess these costs and benefits, and thus determine the appropriateness of exit point reliability categories, is set out in Box 1.¹⁴

¹³ AER, 'Cost thresholds review for the regulatory investment tests 2018', 2019, available at: <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/cost-thresholds-review-for-the-regulatory-investment-tests-2018>.

¹⁴ For further detail on the methodology used in the previous full review, see the Commission's 2016 review of the Code and AEMO's accompanying analysis. Commission, 'Electricity Transmission Code review – Final decision', 2016; AEMO, 'Review of the South Australian Electricity Transmission Code Reliability Standards', 2015,

This exercise considered the factors listed in clause 2.12.2 of the Code (that is, recommendations of AEMO, size of the load, value of lost load and types of customers, number of customers, and cost of installation of transmission assets relevant to the exit point).

Box 1: Calculating the benefits and costs of upgrading an exit point

The expected reduction in annual outage hours after an upgrade is first estimated (for example, if supply was expected to be disrupted for 10 hours per year at category 1 and one hour at category 2, the improvement would be nine hours).¹⁵ Then the customer value of those hours of electricity connection is calculated by multiplying average exit point demand¹⁶ by the value that customers place on the reliability of supply.¹⁷ This benefit is then weighed against the capital cost of upgrading an exit point.

In estimating costs and benefits, the Commission has made several assumptions and used updated data sources where available.

For exit points in categories 2 to 5, expected outage times are relatively small (generally less than one hour per year), because of redundancies already built into the network. This means that for these exit points, only a much larger than expected increase in demand would trigger the need for an upgrade.

For category 1 exit points that have more than one customer, the costs and benefits of an upgrade to category 2 were estimated using updated AEMO demand forecasts¹⁸ and value of customer reliability estimates.¹⁹ The upgrade cost and reliability improvement estimated in the previous review were used²⁰ (or the average cost and reliability improvement was used, where estimates were not available for a specific exit point).²¹ Parameters held constant from the previous review included the composition of demand at each exit point, the base network reliability estimates²², and the discount rate for the capital cost (which was kept at 7.5 percent).

Overall, based on the assumptions and inputs described above, it was estimated that no exit points require further investigation for higher reliability obligations.

available at: <https://www.escosa.sa.gov.au/ArticleDocuments/490/20150924-Elec-ReviewSATransmissionCodeRelStandards-AEMO-Report.pdf.aspx?Embed=Y>.

¹⁵ Predicted annual hours of outages at each exit point includes both planned and unplanned outages. Where redundancy exists at an exit point, expected outages depend on the probability of both the primary and backup infrastructure being simultaneously unavailable.

¹⁶ Average demand is estimated using maximum demand forecasts multiplied by the historical average load percentage.

¹⁷ This is estimated by the AER using survey data and varies for different customer types including residential, commercial, industrial, agricultural and very large customers such as mines or steel works.

¹⁸ AEMO's 2020 demand forecasts were considered, and additional data was obtained from AEMO to account for solar generation (which contributes to underlying demand) at each exit point. See AEMO, 'Transmission Connection Point Forecasts for South Australia', 2020, p. 18, available at: <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/transmission-connection-point-forecasting/south-australia>; and AEMO, 'Review of the South Australian Electricity Transmission Code Reliability Standards', p. 18.

¹⁹ The latest estimates were published in 2019, with recommended sensitivity ranges of +/- 30 percent. See AER, 'Values of Customer Reliability,' 2019, p. 84, available at: <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/values-of-customer-reliability>.

²⁰ AEMO, 'Review of the South Australian Electricity Transmission Code Reliability Standards', p. 18.

²¹ The median cost of upgrading from category 1 to 2 was \$22.5 million; the mean reliability improvement after an upgrade from category 1 to 2 was a 91 percent reduction in outage hours. See AEMO, 'Review of the South Australian Electricity Transmission Code Reliability Standards'.

²² AEMO, 'Review of the South Australian Electricity Transmission Code Reliability Standards', p. 27.

The results of the analysis, including sensitivity ranges, are shown in Table 1. The results show the percentage that demand would have to increase from the current maximum forecast demand to justify a break-even upgrade to category 2 (that is, the upgrade would have a net present value of zero over the life of the asset). The sensitivity analysis assumes a lower bound where the upgrade cost is 30 percent lower, the value of customer reliability is 30 percent higher, and the discount rate is 5 percent; and an upper bound where the upgrade cost is 30 percent higher, the value of customer reliability is 30 percent lower, and the discount rate is 7.5 percent.

For most of the category 1 exit points in Table 1, a very large increase in demand would be needed to justify an upgrade to category 2. The exit points where an upgrade to category 2 may be justified (Dalrymple, Kadina East and Wudinna) were already upgraded in accordance with previous reviews, but have been included in the analysis (along with Ardrossan West and Yadnarie) as they were included in the 2016 review.

This cross-check exercise provides evidence in support of ElectraNet's submission to the Commission that a full review of individual exit point reliability standards is not warranted.

Table 1: potential upgrade of category 1 exit points to category 2

Exit point	Percent increase in demand needed to justify upgrade from category 1 to category 2, (sensitivity range in brackets)		Comment
Ardrossan West	54	(-40 to 185)	Already upgraded to cat 2
Baroota	15	(-55 ²³ to 114)	
Dalrymple	-22	(-70 to 44)	Already upgraded to cat 2
Kadina East	-35	(-75 to 21)	Already upgraded to cat 2
Kanmantoo	646	(186 to 1,266)	
Leigh Creek South	4,238	(1,561 to 7,843)	
Mt Gunson	6,221	(2,320 to 11,475)	
Neuroodla	894	(280 to 1,719)	
Port Lincoln Terminal	990	(312 to 1,924)	
Wudinna	-24	(-71 to 41)	Already upgraded to cat 2
Yadnarie	51	(-42 to 180)	Already upgraded to cat 2

Consultation question:

- Is there any evidence that the Commission needs to consider that would support a more detailed review of the exit point reliability standards at this time?

²³ In 2016, Baroota was assessed as not requiring an upgrade to category 2 (see Commission, 'Electricity Transmission Code review – Final decision', 2016, p. 20). There has since been an unexpected increase in underlying demand (not operational demand) due to a new solar generation facility, which, under some sensitivity parameters, increases the net present value of an upgrade above zero. However, under base case assumptions, no upgrade would be warranted.

3 Proposed amendments

The Commission proposes to retain the exit point categories in clause 2.4 of the Code, given the narrow scope of the review (as explained in section 2).

The Commission proposes to make only minor amendments to the Code in advance of ElectraNet's regulatory submission to the AER.

3.1 Removal of the Leigh Creek Coal exit point

The Commission's draft decision is to remove the Leigh Creek Coal exit point from the Code.

ElectraNet proposed the removal to the Commission.²⁴ ElectraNet deactivated the Leigh Creek Coal exit point in August 2019. The de-activation followed Alinta Energy's closure of the Leigh Creek coal mine.²⁵

3.2 The definition of emergency

When facing an emergency situation, ElectraNet has obligations under both the Electricity Act and the *Emergency Management Act 2004* (**Emergency Management Act**). ElectraNet has proposed that the Commission align the way 'emergency' is defined in the Code with the definition in the Emergency Management Act. Table 1 shows the two definitions and proposed change.

Table 2: Definitions of emergency

Source	Definition of emergency
Emergency Management Act definition, section 3	<p>Emergency means an event (whether occurring in the State, outside the State or in and outside the State) that causes, or threatens to cause—</p> <p>(a) the death of, or injury or other damage to the health of, any person; or</p> <p>(b) the destruction of, or damage to, any property; or</p> <p>(c) a disruption to essential services or to services usually enjoyed by the community; or</p> <p>(d) harm to the environment, or to flora or fauna;</p> <p>Note—This is not limited to naturally occurring events (such as earthquakes, floods or storms) but would, for example, include fires, explosions, accidents, epidemics, pandemics, emissions of poisons, radiation or other hazardous agents, hijacks, sieges, riots, acts of terrorism and hostilities directed by an enemy against Australia.</p>
Code definition, clause 1.6	<p>Emergency means the actual or imminent occurrence of an event which in any way endangers or threatens to endanger the safety or health of any person, or the maintenance of power system security in the state of South Australia, or which destroys or damages, or threatens to destroy or damage, any property in the state of South Australia.</p>
Code amendment proposed by ElectraNet	<p>Emergency has the same meaning as defined in the <i>Emergency Management Act 2004</i>.</p>

²⁴ ElectraNet, 12 January 2021.

²⁵ Department for Energy and Mining, 'Leigh Creek Coal Mine', 2019, available at: https://www.energymining.sa.gov.au/minerals/mining/mines_and_quarries/leigh_creek_coal_mine#:~:text=In%20June%202015%20Alinta%20Energy,its%20Leigh%20Creek%20coal%20mine.&text=Operations%20at%20the%20Leigh%20Creek,closure%20of%20the%20mine%20site.

The definition of emergency in the Code provides the circumstances under which ElectraNet can choose to disrupt transmission services under clause 9.1, suspending the Code's usual reliability standards for the duration of the outage. ElectraNet advised that, '*Emergencies in the context of the transmission system are generally not of a scale which would invoke the Emergency Management Act.*'²⁶

When an emergency is declared under the Emergency Management Act, ElectraNet can be directed to undertake certain actions. The Electricity Act states that nothing in that Act affects the exercise of any power, or the obligation of a regulated entity to comply with any direction, order or requirement, under the Emergency Management Act.²⁷

While the two definitions do not appear to conflict, ElectraNet has stated that the alignment of definitions would promote administrative efficiency:

Typically, unplanned outages occur due to actual or imminent events which would satisfy the definition of emergency under the [Code]. Emergencies in the context of the transmission system are generally not of a scale which would invoke the Emergency Management Act.

ElectraNet's proposal to align the [Code] definition with the Emergency Management Act definition is solely for administrative efficiency. Typically, issues associated with such definitional inconsistencies manifest in post event reviews. It is therefore proposed that the [Code] definition be suitably broadened for consistency to encompass the full range of events captured by the Emergency Management Act definition.

*There are no day to day issues for ElectraNet in the inconsistency of the [Code] with the Emergency Management Act.*²⁸

On balance, the evidence provided so far is not sufficient to justify a change to the Code. While ElectraNet has suggested that it could deliver an unquantified administrative efficiency, it has also stated that the current definitions do not result in day-to-day issues.

The Commission also notes ElectraNet's concern that the potential inconsistency between the two definitions is mostly likely to '*manifest in post event reviews*'. However, without any specific examples of where this issue has presented itself, the Commission cannot be certain that there are not valid reasons for these differences in definitions.

The Commission is prepared to consider further evidence that ElectraNet's proposed amendment would deliver administrative efficiencies, while not creating unintended consequences for the different types of emergency situations envisaged by the Code.

Consultation question:

- ▶ Is there any evidence that aligning the Code definition of emergency with the Emergency Management Act definition will deliver benefits, impose costs or have any unintended impacts on the operation of the Code?

²⁶ ElectraNet, 24 February 2021.

²⁷ Electricity Act 1996, section 54.

²⁸ ElectraNet, 24 February 2021.

3.3 Clarification of notification requirements

In the case of an unplanned interruption, clause 9.2.2 of the Code requires that the transmission entity notify affected customers, the distributor and the Commission.

ElectraNet has pointed out that the location of an outage will determine who is affected. That is, an outage to a direct connect customer does not affect the distributor, and an outage to the distributor does not affect any direct connect customers. ElectraNet suggested the following modification to clause 9.2.2 of the Code in relation to unplanned disruptions:²⁹

*The **transmission entity** must give prompt notice of the events or circumstances to **the Commission and to affected transmission customers; and/or the distributor (as appropriate) and the Commission**, including details of the events or circumstances, an estimate of likely duration of the interruption to the provision of **prescribed transmission services** at one or more **exit points**, the extent to which its restoration obligations are or are likely to be affected and the steps taken to remove, overcome or minimise those effects.*

'Transmission customer' is defined in the Code to include both direct connect customers and the distributor. In contrast, customer is defined as including both transmission and distribution customers. The transmission entity, ElectraNet, does not have any direct relationship with the customers of the distributor.

***transmission customer** means a **customer** that has a **connection point** with a **transmission network** and receives **transmission services** and, where the context requires, includes a **distributor** and/or a **generator**.³⁰*

***customer** means a person who has a supply of electricity available from a transmission or distribution network for consumption by that person and includes –*

- (a) the occupier for the time being of a place to which electricity is supplied; and*
- (b) where the context requires, a person seeking an electricity supply; and*
- (c) a person of a class declared by regulation to be customers;³¹*

The Commission therefore considers it would be appropriate for the transmission entity to notify 'affected transmission customers' and the Commission. The Commission proposes to clarify clause 9.2.2 of the Code in relation to unplanned disruptions, as highlighted below. The proposed clarification has the same effect as ElectraNet's proposal.

*The **transmission entity** must give prompt notice of the events or circumstances to affected **transmission customers, the distributor** and the Commission, including details of the events or circumstances, an estimate of likely duration of the interruption to the provision of **prescribed transmission services** at one or more **exit points**, the extent to which its restoration obligations are or are likely to be affected and the steps taken to remove, overcome or minimise those effects.*

²⁹ ElectraNet, 24 February 2021.

³⁰ Code, clause 1.6.

³¹ Electricity Act 1996, section 4.

3.4 Other minor editorial amendments

The Commission proposes to make the following amendments to address minor typographical errors in the Code.

Clause 1.3.3

Nothing in this industry code should be interpreted as requiring specific technological solutions. The requirements of this industry code, including any standards or procedures to which it refers, can be met by any combination of transmission, distribution, generation, load management or alternative technology solutions where it can be demonstrated that such solutions are prudent and efficient, taking into account the long term benefit to customers.

Clause 1.6 (definitions)

Generator means a holder of a licence issued under ~~the~~ the Act authorising the person to generate electricity.

Clause 2.4.1

The table below categorises exit points for the purposes of setting planning and reliability standards under this industry code (square brackets denote a group of exit points):

Clause 2.16.3

A transmission entity must report to the Commission on the circumstances of each occasion where it has been required, as a result of a transformer failure, to repair a transformer, install a new transformer, or provide equivalent transformer capacity, in order to meet the reliability standards specified in this clause 2 within 2 months of that event.

Clause 6.2.1(c)

acquire all necessary land, and

4 Next steps

The Commission invites discussions with stakeholders on any of the matters raised in this Draft Decision or on any related matters. Written submissions must be provided by no later than **Monday, 10 May 2021**. All submissions will be placed on the Commission's website, subject to any confidential material being excluded.

Following consideration of the issues raised in submissions, the Commission will release its Final Decision in June 2021. The new Code will take effect on the date of notification of the amendments in the South Australian Government Gazette.



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