

Proposed Amendments to the New Code

The specific amendments proposed to the new Electricity Transmission Code (the 'New Code') as scheduled to take effect on 1 July 2013 are outlined as follows.

1. Definition of '*forecast agreed maximum demand*'

- 1.1 ElectraNet proposes that the definition of *forecast agreed maximum demand* for the purposes of the ETC should be expressed on a 10% probability of exceedance basis for non-radial connection points, reflecting ambient conditions that would be expected to occur on average once in every 10 years.
- 1.2 The definition of *forecast agreed maximum demand* in the New Code should be replaced with the following definition:

"forecast agreed maximum demand" means:

- (a) in relation to a Category 1 or a Category 2 *exit point*, the demand forecast for that *exit point* that is agreed between the *transmission entity* and the relevant *transmission customer* or *distributor* at least three years prior to the commencement of the financial year in which that demand forecast is expected to become the *agreed maximum demand* for the relevant *exit point*; and
- (b) in relation to a Category 3, 4 or 5 *exit point*, the **10% Probability of Exceedance forecast** for that *exit point* that is agreed between the *transmission entity* and the relevant *distributor* at least three years prior to the commencement of the financial year in which that demand forecast is expected to become the *agreed maximum demand* for the relevant *exit point*,

as that initial demand forecast is subsequently updated by agreement between the relevant parties prior to the commencement of the financial year in respect of which the initial demand forecast was provided.

- 1.3 Insert the following new definition in clause 10.1 of the New Code:

"10% Probability of Exceedance forecast" means in relation to a Category 3, 4 or 5 *exit point*, the demand forecast for that *exit point* that reflects ambient conditions that have a probability of occurrence of 1 in every 10 years (i.e. the long term average probability of the demand forecast for given ambient conditions being exceeded).

2. Other changes to the definitions in clause 10.1

- 2.1 ElectraNet proposes that the definition of *agreed maximum demand* should be amended to reflect the terminology used in clause 2 of the New Code.

"**agreed maximum demand**" means for an **connection-exit point** or group of **connection-exit points**, ~~is~~ the demand that is specified as such in the **connection agreement** between the transmission entity ElectraNet and the relevant **transmission customers** or **distributor** ETSA Utilities."

2.2 The definition of **equivalent line capacity** and **equivalent transformer capacity** should also be amended by replacing the word 'demand' in each definition with the words '...the contracted amount of **agreed maximum demand**.'

2.3 The definition of **ETSA Utilities** should be replaced with the following definition:

"**SA Power Networks** means the partnership comprising

2.4 The definition of **exit point** should be amended to expressly refer to a **distributor** as per the following amendment:

"**exit point**" means a **connection point** through which a **transmission customer** or a distributor imports electricity from the **transmission network**.

3. Addition to Clause 2.1.2

3.1 ElectraNet proposes that the requirement to minimise load-shedding set out in clause 2.1.2 of the New Code should specifically recognise that the use of a **forecast agreed maximum demand** based on a **10% Probability of Exceedance forecast** in relation to some **exit points** will marginally increase the possibility of a loss of supply.

3.2 In this regard, ElectraNet proposes the inclusion of the following words at the end of clause 2.1.2:

"...such that there will be minimal requirement to shed load under normal and reasonably foreseeable operating conditions taking into account the forecast agreed maximum demands and the principles set out in clauses 2.3.2 and 2.3.3."

4. Relief from reliability standards

4.1 ElectraNet believes that the *Commission* should be given the power to grant a dispensation from compliance with a reliability standard (on a case by case basis) if it can be demonstrated that the cost of compliance with the relevant reliability standard is not economically justified taking into account the increase in costs associated with, and the increase in benefits to customers resulting from, full compliance with the reliability standard.

4.2 ElectraNet proposes that the following clauses should be added to clause 2.3 of the New Code:

"**2.3.2** A **transmission entity** can request the **Commission** to exempt the **transmission entity** from its obligation to comply with a standard set out in clause 2.6, 2.7, 2.8 or 2.9 if the **transmission entity** reasonably believes that the additional cost to **customers** of complying with that

standard cannot be economically justified taking into account the likely cost of complying with that standard and the likely increase in benefits to **customers** which will arise from compliance with that standard. The **transmission entity** must provide with its request such information and evidence as is reasonably required by the **Commission** to make its assessment under clause 2.3.3.

2.3.3 The **Commission** may, in its absolute discretion, exempt a **transmission entity** from compliance with all or part of a standard set out in clause 2.5, 2.6, 2.7, 2.8 or 2.9. An exemption may be granted subject to such terms and conditions as the **Commission** considers are appropriate.

5. Fault Restoration

5.1 ElectraNet proposes that clauses 2.5.1(a)(ii), 2.5.1(b)(ii), 2.6.1(a)(ii), 2.6.1(b)(ii)(A) and 2.8.1(a)(ii)(B) of the New Code should be amended by adopting an obligation for ElectraNet to use its **best endeavours** to meet the relevant restoration requirement.

5.2 For example, clause 2.5.1(a)(ii) of the New Code should read as follows:

"2.5.1 In respect of Category 1 **exit points**, a **transmission entity** must:

- (a) provide "**N**" **equivalent line capacity** for at least 100% of contracted **agreed maximum demand** and, in the event of an interruption use its **best endeavours** to:
 - (i) ~~use its **best endeavours** to~~ restore "**N**" **equivalent line capacity** as soon as practicable; and
 - (ii) ~~in any event,~~ restore "**N**" **equivalent line capacity** within 2 days of the commencement of the interruption."

6. Clause 2.11

6.1 ElectraNet proposes that clause 2.11 should be amended to read as follows in order to provide adequate transition to the New Code:

"2.11.1 Subject to clause 2.11.2, in the event that a change in **forecast agreed maximum demand** at an **exit point** or group of **exit points** will result in a future breach of a standard specified in this clause 2 earlier than was reasonably expected given the previous **forecast agreed maximum demand** for that **exit point** or group of **exit points**, the relevant a **transmission entity** must ensure that the **equivalent capacity** at the **exit point** or group of **exit points** is sufficient to meet the required standard within 12 months of the identified future breach date.

2.11.2 If the **transmission entity** can demonstrate that ~~Where~~ a change in **forecast agreed maximum demand** at an **exit point** or group of **exit points** under clause 2.11.1 was not

~~reasonably expected to occur able to be identified by the **transmission entity** taking into account the details provided with in the **initial forecast agreed maximum demand** 3 years prior, a the **transmission entity** must:~~

- (a) use its **best endeavours** to ensure that the **equivalent capacity** at the **exit point** or group of **exit points** is sufficient to meet the required standard within 12 months of the identified future breach date; and
- (b) in any event, ensure that the **equivalent capacity** at the **exit point** or group of **exit points** is sufficient to meet the required standard within 3 years of the identified future breach date.

2.11.3

~~Despite clauses 2.11.1 and 2.11.2, if a breach of a standard set out in clause 2.6, 2.7, 2.8 or 2.9 occurs in relation to a **exit point** or a group of **exit points** during the 2013/14, 2014/15 or 2015/16 financial year, the **transmission entity** must:~~

- ~~(a) use its best endeavours to ensure that the **equivalent line capacity** or **equivalent transformer capacity** (whichever is applicable) at the **exit point** or group of **exit points** meets the required standard within 12 months; and~~
- ~~(b) in any event, ensure that the **equivalent line capacity** or **equivalent transformer capacity** at the **exit point** or group of **exit points** meets the required standard with 3 years."~~

7. Amendments to clause 6.3.1 of the New Code

7.1 ElectraNet proposes that clause 6.3.1 should be amended as follows in order to ensure the correct operation of this clause:

- 6.3.1** ~~So as to ensure that the **transmission entity** is in a position to meet its obligations under clause 2, a **transmission entity** must use its **best endeavours** to complete all necessary design work, obtain all necessary planning approvals and acquire all necessary land and easements on the basis that the ~~of~~ **forecast agreed maximum demand** for a given financial year and **exit point** will become the contracted **agreed maximum demand** for that financial year and **exit point** prior to changes in **forecast agreed maximum demand** causing a breach of the reliability standards specified in this industry code so as to ensure that the **transmission entity** is in a position to meet its obligations.~~