

ENERGY CONSUMERS COALITION OF SA

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Stuart McPherson, Manager Technical
Essential Services Commission of South Australia
GPO Box 2605
Adelaide, SA, 5001

By email: escosa@escosa.sa.gov.au

Electranet's Proposed Amendments to Revised Electricity Transmission Code

Draft Decision

Dear Mr McPherson,

The Energy Consumers Coalition of SA (ECCSA) is aware ElectraNet has proposed that in future forecasting of peak demand for assessing the needs of the transmission network, it use the 10% Probability of Exceedence (10% PoE) approach to assessing future peak demand rather than the current approach of Agreed Maximum Demand used in collaboration with SA Power Networks.

Where individual end users of electricity are connected to the ElectraNet transmission system, the ECCSA considers that Agreed Maximum Demand should be the basis for assessing the needs of the connection as this is what the end user is required to pay for. However, the bulk of connections ElectraNet has are to SA Power Networks which has a very diverse load where summing all contract peak demands would overstate the capacity needed by the network, causing considerable increases in costs to consumers.

The ECCSA considers that there needs to be consistency in approach to assessing the expected peak demand network the transmission networks is expected to carry when demand is impacted by considerable diversity of load. The ECCSA notes that the Australian Energy Market Operator (AEMO) assesses the future needs of the electricity market on a 10% PoE basis yet the current South Australian approach for transmission is based on an Agreed Maximum Demand assessment made between ElectraNet and SA Power Networks. This creates a disconnect between what AEMO assesses is needed and the SA assessment, and this difference can considerably impact the assessments made for needed network augmentation by the Australian Energy Regulator (AER) when developing its allowances for both ElectraNet and SA Power Networks.

The ECCSA notes that by using the 10% PoE approach in its assessment of transmission system needs for the coming regulatory period rather than the Agreed Maximum Demand approach, ElectraNet was able to defer some planned capital works and thereby reduce its forecast costs with out affecting the level of the service provided. In its response to the AER Draft Decision on the ElectraNet revenue reset, the ECCSA concurred with the ElectraNet approach to using the 10% PoE as the basis to measure forecast peak demand and use this as the basis for planned augmentations.

The ECCSA also notes that historic forecasts for future demands made by AEMO consistently overstate the actual demands that occurred, implying that even the 10% PoE approach for future demand might well provide a higher forecast than will actually occur.

The ECCSA therefore recommends that ESCoSA should accept the proposal by ElectraNet that 10% PoE be used as the basis for forecasting future peak demands for the electricity transmission and distribution networks in the State.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Headberry". The signature is fluid and cursive, with a small checkmark at the end.

David Headberry
Secretary to ECCSA