



Electricity



South Australia's Electricity Transmission Regulatory Framework – Information sheet

The purpose of this fact sheet is to provide an overview of the economic regulation framework that applies to ElectraNet Pty Ltd (**ElectraNet**).

ElectraNet is a privately owned monopoly service provider of electricity transmission services in South Australia.

The transmission network (owned and operated by ElectraNet) transports electricity from generators at voltages of 275 kV and 132 kV to the State's lower-voltage distribution network and to some large industrial customers.

This fact sheet provides:

- ▶ an overview of the Essential Services Commission's (**Commission**) approach to regulating ElectraNet
- ▶ a description of the transmission reliability service standards that apply to the transmission services that ElectraNet provides and other reliability metrics.

ElectraNet's Economic Regulation

As a monopoly service provider, ElectraNet is subject to economic regulation in respect of the revenue it is permitted to earn from South Australian consumers. The Australian Energy Regulator is responsible for administering that regulatory regime under the National Electricity Rules (**NER**).

How the Commission regulates ElectraNet

The Commission, as a part of its licensing function, is able to set certain regulatory obligations, including transmission network reliability standards, through the Electricity Transmission Code (**Code**). As a condition of its

licence, ElectraNet must comply with the Electricity Transmission Code.

The Code forms a part of the broader regulatory scheme for electricity transmission in the National Electricity Market (**NEM**). The 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 administration of reliability standards, which are jurisdictional standards that align with, and complement, the NER technical standards. These reliability standards, set for the 2013 to 2018 regulatory period, are set out in the Code.

The Commission monitors and reports on ElectraNet's performance standards and takes enforcement action where necessary.

ElectraNet's Service Standards

The Commission sets service standards, in the Code, for exit point reliability. Exit points are the connections between ElectraNet's transmission network and its customers, such as SA Power Networks or, in a small number of cases, directly connected customers.

The obligations under the standard are to restore supply within specified timeframes in the event of an outage and to provide redundant capacity so that supply is continuous even if one part of the network fails.

Each exit point has specific reliability and supply restoration standards. Category 1 has the lowest reliability and supply restoration requirements and Category 5 has the highest requirements.

The standards require that exit points be grouped in categories. The categorisation of exit points is based on periodic assessments as to whether or not the costs of augmenting each exit point are

outweighed by the value to customers of the increased reliability that would result.

ElectraNet's other reliability metrics

The Commission monitors other transmission network reliability metrics that impact South Australian customers, notably:

- ▶ number of power system incidents – where the transmission network supply is interrupted, usually as a result of a power line tripping
- ▶ System Minutes Off Supply (SMOS) attributed to power system incidents - a measure of transmission network unavailability. It is an indicator of the service level of the transmission network in supplying energy to network customers.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

Essential Services Commission
GPO Box 2605 ADELAIDE SA 5001

Telephone: (08) 8463 4444 E-mail: escosa@escosa.sa.gov.au Web: www.escosa.sa.gov.au