

Media release

Friday, 29 September 2017

Assessing electricity transmission reliability

The Independent Pricing and Regulatory Tribunal (IPART) has finalised its approach to assessing TransGrid's compliance with new NSW electricity transmission reliability standards.

In June this year, the NSW Government adopted IPART's recommended new standards which will apply from 1 July 2018.

IPART Chair, Dr Peter Boxall, said the new standards require TransGrid to ensure that for each bulk supply point, the system:

- ▼ achieves the required level of redundancy (that is, it specifies the number of back-up arrangements that must be in place to support continued supply of electricity in the event that part of the transmission network fails), and
- ▼ does not exceed the specified allowance for expected unserved energy (that is, an expected amount of energy that cannot be supplied, taking into account the probability of supply outages attributable to credible contingency events, expected outage duration, and forecast load).

Dr Boxall said ensuring compliance with these standards would mean that the transmission network is being planned and operated in a way that reduces the risk of blackouts while minimising excessive spending.

"The new standards deliver an investment process that better reflects the value customers place on reliability over the long term, while continuing to deliver reliability in line with customers' expectations and bringing some cost savings at the same time" Dr Boxall said.

The approach to transmission reliability compliance addresses feedback received from TransGrid and other stakeholders. We have published our final decision reflecting this approach today. This will enable TransGrid to incorporate the costs of compliance in its revised revenue proposal to the Australian Energy Regulator that sets network prices.

The final report is available on IPART's website www.ipart.nsw.gov.au.