

Media Release

22 October 2020

Better value for NSW consumers under proposed changes to electricity reliability standards

IPART is proposing changes to the reliability standards for NSW electricity providers to better reflect the value that customers place on reliability, facilitate lower costs for providers and deliver bill savings to customers over time.

“Setting the right standard is about striking a balance between the costs that the businesses incur in providing more resilient, reliable networks and the value that customers place on a reliable, continuous supply of electricity,” said Tribunal member Sandra Gamble.

“Historically most customers receive a very reliable supply, but providing this has driven increased network costs.

“Our draft recommendations require networks to ensure that investments in reliability reflect customers’ willingness to pay and are delivered at least cost. Innovative solutions to reliability such as microgrids and standalone power systems can deliver a reliable network at lower cost”, Ms Gamble said.

IPART is also recommending higher payments to customers facing prolonged outages.

Currently customers can claim \$80 for long or repeated outages but few make claims and the amount has remained the same since we recommended it in 2004.

“The new payments acknowledge that there are times when the networks do not meet their service obligations to all customers.

“The proposed payments range from around \$150-\$750 a year depending on the number and duration of outages customers have experienced,” said Tribunal member Sandra Gamble.

The review also found that the growth in new technologies such as roof-top solar and batteries has created some challenges for the networks.

Customers using new technologies currently face difficulties in trying to export energy back to the grid.

“The networks were originally designed for electricity to flow in one direction.


“A number of bodies are working on solutions to this problem. Under the draft recommendations, the providers would begin publishing data on the quality of service to customers with these technologies, with a view to informing any future regulatory changes,” said Ms Gamble.

IPART is seeking stakeholder feedback on its draft recommendations. The report and a fact sheet are available on the IPART website, and submissions can be made until 20 November 2020.

IPART will hold a public hearing on 2 November and provide its final recommendations to the Government by December 2020.

The recommendations affect the three NSW electricity providers – Ausgrid, Essential Energy and Endeavour Energy – that supply the local poles and wires that transport electricity to household and business customers.

Media Contact: Adrian Flood

 **0427 105 865**

 **media@ipart.nsw.gov.au**