Including distribution network resilience in the national electricity rules

stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in the consultation paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

SUBMITTER DETAILS

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| **ORGANISATION:** |       |
| **CONTACT NAME:** |       |
| **EMAIL:** |       |
| **PHONE:** |       |
| **DATE** |       |

project DETAILS

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| **NAME OF RULE CHANGE:** | Including distribution network resilience in the national electricity rules  |
| **PROJECT CODE:** | ERC0400 |
| **PROPONENT:** | The Honourable Lily D’Ambrosio MP, Victorian Minister for Energy and Resources |
| **SUBMISSION DUE DATE:** | 7 November 2024 |

**CHAPTER 2** – The problem raised in the rule change request

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| **1. Does the current framework for distribution network resilience create regulatory uncertainty for DNSPs and the AER around efficient expenditure for long-duration outages? Should the framework be amended to provide clarity?** |       |
| **2. How material is the lack of clarity in the rules around network resilience?**1. Do you consider the issue with the NER raised by the proponent to be a substantive problem? If so, why?
2. Are there any other programs or energy sector reforms that may partially or fully address the problem raised by the proponent?
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**CHAPTER 3** - The proposed solution and implementation

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| **3. Do you agree with the proposed solution to include resilience expenditure factors in the NER?**1. Is including resilience as expenditure factors in the NER an appropriate solution? Is there a more preferable way to incorporate distribution network resilience into the NER?
2. Do you have any comments on the proposed drafting of the resilience expenditure factors? Should they be drafted in the same way for capital and operating expenditure?
3. Should the resilience expenditure factors cover severe weather events and other catastrophic events that may result in long-duration outages?
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| **4. Do you agree with the proposed solution to require the AER to develop resilience guidelines?**(a) Do you agree that requiring the AER to develop binding resilience guidelines will address the issue?(b) What level of prescription should the NER include relating to the AER’s guidelines? Should the NER include content requirements for the AER guidelines?(c) Do you agree that both including resilience as capital and operating expenditure factors in the NER and an AER binding guideline are required to address the issue? |       |
| **5. What are your views of the costs and benefits of the proposed solution?**(a) What do you consider will be the benefits and costs of the proposed solution?(b) Do you consider the proposal appropriately allocates risk between DNSPs and consumers?(c) Is there anything the Commission could do in designing the rule that would help to minimise the costs and maximise the benefits? |  |
| **6. What transitional arrangements would be required to implement the proposed rule?** |  |
| **7. Are there any interactions with the VNR that should be taken into account in the NER?** |  |
| **8. Are there alternative solutions to those proposed in the rule change request?**(a) Do you consider that more preferable solutions exist to address the identified issue?(b) Should the rule change clarify the role of DNSPs in relation to providing resilience?(c) To what extent would the VNR, alongside the AER’s existing guidance note, resolve the issue raised in the rule change request? |  |

**CHAPTER 4** – **Making our decision**

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| **9. Assessment framework:** Do you agree with the proposed assessment criteria? Are there additional criteria that the Commission should consider or criteria included here that are not relevant? |       |