



Changes to normal voltage

Final determination: 28 February 2013

The AEMC has published a final determination and more preferable final rule on the Changes to normal voltage rule change request.

The final rule seeks to improve market transparency and efficiency by ensuring that registered participants are notified of requests to change the normal voltage level at transmission or distribution connection points.

Benefits of the final rule

The final rule places a requirement on the Australian Energy Market Operator (AEMO) to notify registered participants of a proposed change to the normal voltage level at an electricity transmission or distribution connection point. It also requires AEMO to notify registered participants of the outcome of a request to change normal voltage.

This rule is likely to improve market transparency by providing an opportunity for all potentially affected registered participants to raise any concerns about a proposed change to normal voltage. The rule may also help to reduce any potential physical and commercial risks that registered participants might face as a result of a proposed change to the normal voltage level.

Overall, the rule is likely to assist registered participants to make informed investment decisions, which would improve efficiency in investment in generation services and in the operation of generation and network services.

Background

Normal voltage is the voltage level at which a transmission or distribution line normally operates. Generators must ensure their equipment is able to meet the normal voltage level specified at their connection point. A change in the normal voltage level can potentially affect plant equipment, which may require generators to upgrade their equipment.

Currently, the National Electricity Rules (NER) do not contain a clear process that sets out how network service providers (NSPs), AEMO and registered participants must deal with a proposed change to normal voltage.

This final determination has been published in response to a rule change request submitted by GDF Suez (formerly International Power).

GDF Suez submitted this rule change request as it was concerned that under the NER the normal voltage level can be varied through an agreement with AEMO and the relevant NSP, without a requirement to consult with potentially affected parties.

GDF Suez proposed to address this issue by requiring NSPs to follow the consultation processes set out in rule 5.3 of the NER for establishing or modifying a connection, when there is a request to change the normal voltage level.

The 'Changes to normal voltage' final rule will commence on 7 March 2013

The Commission's final rule

The Commission has determined to make a more preferable final rule than the rule proposed by GDF Suez, as it considers that this rule is likely to better address the issues identified in GDF Suez's rule change request.

The main differences between GDF Suez's proposed rule and the Commission's more preferable final rule are that:

- The final rule provides an opportunity for all registered participants to raise any issues with AEMO prior to a change to the normal voltage level being made, while GDF Suez's proposed rule would only ensure that connected or connecting parties would be consulted by NSPs. This is because rule 5.3 of the NER focuses on the connections process between NSPs and connecting or connected parties only.
- The final rule would ensure that all registered parties are notified of the outcome of a request to change the normal voltage level by AEMO. In contrast, GDF Suez's proposed rule would ensure that only connected and connecting parties are informed of the outcome.
- The final rule provides a more proportionate and efficient process for NSPs, registered participants and AEMO to deal with a proposed change to normal voltage than the proposed rule. GDF Suez's proposed rule of requiring NSPs to follow processes in rule 5.3 of the NER could be time consuming and complex, as rule 5.3 of the NER is extensive and is not tailored to addressing requests to change normal voltage.

The final rule will commence on 7 March 2013.

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