



Guideline of common definitions of distribution reliability measures

Publication of final rule and final determination

The Australian Energy Market Commission has introduced new rules that give the Australian Energy Regulator responsibility for producing, maintaining and updating a guideline of common definitions of distribution reliability measures.

Background

On 25 May 2015 the COAG Energy Council submitted a rule change request to the AEMC seeking to give the AER responsibility for producing, maintaining and updating a guideline of common definitions of distribution network reliability measures. The rule change request followed release of the AEMC's final report, *Review of Distribution Reliability Measures* on 5 September 2014, which recommended a common set of distribution reliability measures be developed.

Final rule determination

The Commission has made a rule that requires the AER to:

- develop, publish and maintain a guideline of common definitions of distribution network reliability measures in accordance with the distribution consultation procedures in the National Electricity Rules;
- have regard to the guideline in the course of developing and applying the service target performance incentive scheme for distribution network service providers (DNSPs);
- have regard to the guideline in the course of preparing DNSP performance reports, including annual benchmarking reports; and
- review the guideline at least every five years after the guideline is first published.

The rule also specifies that the AER must publish the initial guideline by 30 June 2017. It must then have regard to the guideline in the course of developing performance reports and developing and implementing the service target performance incentive scheme from that date.

Commission's reasons

The Commission considers that the rule is likely to contribute to the achievement of the national electricity objective by promoting consistency and transparency in the specification and reporting of distribution reliability measures. This is likely to lead to more effective benchmarking and incentive schemes which will better enable the AER to determine revenue allowances for DNSPs that allow the AER to better consider price and reliability outcomes for consumers.

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