



Changes to normal voltage

Draft determination: 29 November 2012

The AEMC today called for public submissions on the Changes to Normal Voltage draft determination and draft rule.

The draft 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 draft rule

The draft 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 draft 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 draft 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 draft rule is likely to assist registered participants to make informed investment decisions, which would improve efficiency in investment decisions and the efficiency of generation and network operations.

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 draft determination has been published in response to a rule change request submitted by International Power.

International Power submitted this rule change request as it is concerned that under current arrangements, 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.

International Power 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.

Submissions on the Changes to Normal Voltage draft determination and draft rule are due by 18 January 2013.

The Commission's draft rule

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

The main differences between International Power's proposed rule and the Commission's more preferable draft rule are that:

- The draft 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 International Power'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 draft 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, International Power's proposed rule would ensure that only connected and connecting parties are informed of the outcome.
- The draft 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. International Power'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.

Submissions

The Commission invites submissions to its draft determination, including the draft rule, by 18 January 2013.

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