

TASMANIA

**ELECTRICITY SUPPLY INDUSTRY (NETWORK
PLANNING REQUIREMENTS) REGULATIONS
2018**

STATUTORY RULES 2018, No. 2

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**ELECTRICITY SUPPLY INDUSTRY (NETWORK
PLANNING REQUIREMENTS) REGULATIONS
2018**

I, the Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia, acting with the advice of the Executive Council, make the following regulations under the *Electricity Supply Industry Act 1995*.

Dated 23 January 2018.

C. WARNER
Governor

By Her Excellency's Command,

GUY BARNETT
Minister for Energy

1. Short title

These regulations may be cited as the *Electricity
Supply Industry (Network Planning
Requirements) Regulations 2018*.

2. Commencement

These regulations take effect on the day on
which their making is notified in the *Gazette*.

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3. Interpretation

(1) In these regulations –

affected customer, in relation to –

- (a) a proposed augmentation of a part of a Provider's relevant transmission system; or
- (b) an exempted augmentation –

means a customer, of the Provider, who receives from the Provider a prescribed transmission service that would not be likely to meet the service standards set out in regulation 5 if the proposed augmentation were not to proceed or if the exempted augmentation ceased to be an exempted augmentation;

APR means a Transmission Annual Planning Report of a Provider that is published by the Provider;

Australian CPI number, for a particular quarter in a financial year, means the Consumer Price Index, weighted average of eight capital cities for that quarter, published by the Australian Statistician under the authority of the *Census and Statistics Act 1905* of the Commonwealth;

CPI increase since 2013, for a particular financial year, means the ratio of the

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average of the Australian CPI number, for each of the 4 quarters of that financial year, to the average of the Australian CPI number for each of the 4 quarters of the 2012-2013 financial year;

exempted augmentation means an augmentation to which regulation 8(4) applies;

power system planning means carrying out studies involved in the development of a technically and economically sound system of electricity supply;

Provider means a Transmission Network Service Provider;

publication date, in respect of an APR, means the day on which the APR is published by a Provider;

published means published as required by the National Electricity Rules;

relevant transmission system means the parts, of a transmission system, used to provide prescribed transmission services.

- (2) Unless the contrary intention appears, an expression used in these regulations that is defined in the National Electricity Rules has the same meaning in these regulations as in those rules.

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4. Objects of regulations

The objects of these regulations are to specify, for the purposes of the National Electricity Rules –

- (a) the network performance requirements to be taken into account in power system planning in respect of a relevant transmission system; and
- (b) the service standards that a Provider must take into account, for the purposes of the regulatory investment test for transmission, in carrying out power system planning in respect of a relevant transmission system –

and to allow, in respect of certain augmentations, for exemptions from such requirements and standards.

Note 1 *Network performance requirements* may, under the National Electricity Rules, be set out in a statutory instrument of a participating jurisdiction.

Note 2 *Service standards* for the purposes of the regulatory investment test for transmission may, under the National Electricity Rules, be set out in an applicable regulatory instrument of a participating jurisdiction.

Note 3 *Transmission Network Service Provider* and *regulatory investment test for transmission* are defined in the National Electricity Rules.

5. Minimum network performance requirements

- (1) Power system planning in respect of a relevant transmission system must be such that the system is likely to meet the following network performance requirements:
 - (a) in respect of an intact transmission system –
 - (i) no more than 25 MW of load is to be capable of being interrupted by a credible contingency event; and
 - (ii) no more than 850 MW of load is to be capable of being interrupted by a single asset failure; and
 - (iii) load that is interrupted by a single asset failure is not to be capable of resulting in a black system; and
 - (iv) the unserved energy to load that is interrupted consequent on damage to a network element resulting from a credible contingency event is not to be capable of exceeding 300 MW.h at any time; and
 - (v) the unserved energy to load that is interrupted by a single asset failure is not to be capable of

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exceeding 3 000 MW.h at any
time;

- (b) in respect of a transmission system that is not an intact transmission system, the active energy exposed to interruption by a credible contingency event is not to be capable of exceeding 18 000 MW.h at any time.
- (2) The network performance requirements under subregulation (1) constitute the service standards that a Provider must take into account, for the purposes of the regulatory investment test for transmission, in carrying out power system planning in respect of a relevant transmission system.
 - (3) For the purpose of meeting the requirements under subregulation (1), a Provider may use load shedding –
 - (a) to control network load after a non-credible contingency event; or
 - (b) as specified in a contract, agreement or arrangement entered into by the Provider and a Transmission Customer.
 - (4) For the purpose of calculating unserved energy under subregulation (1), any replacements or repairs undertaken must be taken to not exceed –
 - (a) 48 hours to repair a transmission line; or
 - (b) 8 days to replace a transformer; or

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(c) 18 days to replace an autotransformer.

(5) In this regulation –

intact transmission system means a transmission system from which no network element has been removed for maintenance, replacement or repair;

single asset means –

(a) one double transmission line circuit that contains 2 three-phase circuits; or

(b) one circuit breaker as defined in Australian Standard AS 1852-441 entitled “International Electrotechnical Vocabulary, Chapter 441 – Switchgear, Controlgear and Fuses” published by Standards Australia on 7 June 1985, as amended or substituted from time to time; or

(c) one substation busbar;

single asset failure means one single incident (other than a credible contingency event) that results in the failure of one single asset to perform its intended function;

unserved energy means unserved energy as defined in the Australian Standard AS 1852-604 entitled “International Electrotechnical Vocabulary, Chapter

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604 – Generation, Transmission and Distribution of Electricity – Operation” published by Standards Australia on 17 June 1988, as amended or substituted from time to time.

Note *Black system, busbar, credible contingency event, load shedding, network element, non-credible contingency event, regulatory investment test for transmission, transformer, Transmission Customer, transmission line and transmission system* are defined in the National Electricity Rules.

6. Approval of certain transmission system augmentations

- (1) This regulation applies if –
 - (a) an augmentation of a part of the Provider’s relevant transmission system would be required in order for the system to be likely to meet a network performance requirement contained in a provision of regulation 5 that applies in relation to the system; and
 - (b) the augmentation is proposed in power system planning of the Provider; and
 - (c) the present value of the cost of constructing, operating and maintaining the proposed augmentation is estimated to exceed the relevant amount in relation to the augmentation.

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- (2) For the purposes of subregulation (1)(c), the relevant amount in relation to an augmentation is –
- (a) if the augmentation is proposed in the financial year in which this subregulation commences – \$35 million; and
 - (b) if the augmentation is proposed in any following financial year – the amount obtained by multiplying \$35 million by the CPI increase since 2013 for that following year.
- (3) The relevant Provider must apply to the Minister for approval of the proposed augmentation.
- (4) If this regulation applies in relation to a proposed augmentation, of a part of a relevant transmission system, that would be required in order for the system to be likely to meet a network performance requirement contained in a provision of regulation 5 that applies in relation to the system, the provision of that regulation –
- (a) is not, despite regulation 5, to be taken to be a network performance requirement in relation to that part of the system; and
 - (b) does not constitute a service standard under regulation 5(2) in relation to that part of the system –

unless the Minister has approved the augmentation under this regulation.

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- (5) The application –
- (a) is to be in a form provided or approved by the Minister; and
 - (b) must be supported by such evidence or information as the Minister requires.
- (6) After considering the application, the Minister may –
- (a) approve the proposed augmentation if satisfied that its direct and indirect economic, social and environmental benefits outweigh its direct and indirect economic, social and environmental costs; or
 - (b) refuse to approve the proposed augmentation if not so satisfied.
- (7) The Minister is to notify the applicant in writing of his or her decision under subregulation (6) and, in the case of a refusal, the reasons for the refusal.

Note 1 *Minimum network performance requirements* means minimum network performance requirements within the meaning of the National Electricity Rules.

Note 2 *Augmentation, Transmission Network Service Provider and transmission system* are defined in the National Electricity Rules.

7. Notices as to proposed augmentations

- (1) If –

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- (a) an augmentation of a part of a Provider's relevant transmission system would be required in order for the system to be likely to meet a network performance requirement set out in regulation 5 that applies in relation to the system; and
- (b) the augmentation is proposed in an APR of the Provider –

an affected customer may, within 3 months of the publication date of the APR, give to the Provider a notice in relation to the proposed augmentation.

- (2) A notice under subregulation (1) by an affected customer in relation to an augmentation proposed in an APR is to specify that the customer is of the opinion that there is insufficient customer benefit to justify requiring the proposed augmentation to be provided in the 5-year period from the publication date of the APR.
- (3) A Provider that receives from an affected customer a notice under subregulation (1) in relation to a proposed augmentation must, within 30 days, give to all other affected customers in respect of the augmentation a notice, in accordance with subregulation (5), in relation to the proposed augmentation.
- (4) A Provider must give to all affected customers in relation to a proposed augmentation of a Provider's relevant transmission system a notice,

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in accordance with subregulation (5), in relation to the augmentation, if –

- (a) the augmentation would be required in order for the system to be likely to meet a network performance requirement set out in regulation 5 that applies in relation to the system; and
 - (b) the Provider is of the opinion that there may be insufficient customer benefit to justify requiring the augmentation to be provided in the 5-year period from the publication date of the APR that was most recently published by the Provider before the notice is given by the Provider.
- (5) A notice under subregulation (3) or (4) given by a Provider to an affected customer in relation to a proposed augmentation is to –
- (a) specify the proposed augmentation to which the notice relates; and
 - (b) specify the network performance requirement, set out in regulation 5, to which the proposed augmentation relates; and
 - (c) specify –
 - (i) if the notice is given under subregulation (3), that an affected customer is of the opinion that

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there is insufficient customer benefit; or

- (ii) if the notice is given under subregulation (4), that the Provider is of the opinion that there may be insufficient customer benefit –

to justify requiring the augmentation to be provided in the 5-year period from the publication date of the APR that was most recently published by the Provider before the notice was given by the Provider; and

- (d) inform the affected customer that the customer may give to the Provider, within 3 months after receiving the notice, a notice under regulation 8(1) in relation to the proposed augmentation.
- (6) A notice in relation to a proposed augmentation is to be given under subregulation (3) or (4) to an affected customer –
- (a) by letter directed to the affected customer; or
 - (b) by means of electronic communication, within the meaning of the *Electronic Transactions Act 2000*.

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8. Exemption from network planning requirements

- (1) An affected customer in relation to a proposed augmentation of a part of a Provider's relevant transmission service may, within 3 months after receiving a notice under regulation 7(3) or (4) in relation to the augmentation, give to the Provider notice in writing in relation to the augmentation.
- (2) A notice under subregulation (1), by an affected customer, in relation to an augmentation to which a notice under regulation 7(3) or (4) relates is to specify that the affected customer is of the opinion that there is insufficient customer benefit to justify requiring the augmentation to be provided in the 5-year period from the publication date of the APR that was most recently published by the Provider before the notice under regulation 7(3) or (4) was given.
- (3) If all affected customers have given a Provider a notice either –
 - (a) under subregulation (1) in relation to an augmentation to which a notice given under regulation 7(3) or (4) by the Provider relates; or
 - (b) under regulation 7(1) in relation to an augmentation proposed in an APR published by the Provider –

(whether or not all the notices have been given under the same provision), subregulation (4) applies in relation to the augmentation and the

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provision of regulation 5 to which the augmentation relates.

- (4) If this subregulation applies in relation to an augmentation and the provision of regulation 5 to which the augmentation relates, that provision –
- (a) despite regulation 5, is not to be taken to be a network performance requirement in relation to the relevant part of the system; and
 - (b) does not constitute a service standard under regulation 5(2) in relation to that part of the system –

for the 5-year period from the publication date of the APR that was most recently published by the Provider before a notice under regulation 7(3) or (4) was given in relation to the augmentation.

- (5) If subregulation (4) applies in relation to an augmentation in respect of a part of a relevant transmission system and a provision of regulation 5 to which the augmentation relates for a 5-year period from the publication date of an APR –
- (a) the Provider must not propose, in an APR that is published by the Provider during that 5-year period –
 - (i) the augmentation; or

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- (ii) another augmentation, in relation to the part of the system, that would be necessary in order for the system to be likely to meet the requirements of that provision if it were a network performance requirement in relation to the part of the system; and
 - (b) the Provider must include the relevant information, in relation to the augmentation and the provision, in each APR that is published by the Provider during that 5-year period.
- (6) For the purposes of subregulation (5)(b), the following is the relevant information in relation to an augmentation and a provision of regulation 5 to which the augmentation relates:
 - (a) the part of the relevant transmission system, and the augmentation, to which subregulation (4) applies;
 - (b) a statement that the affected customers in relation to the augmentation are of the opinion that there is insufficient customer benefit to justify requiring the augmentation to be provided in the 5-year period for which subregulation (4) applies in relation to the augmentation;
 - (c) a statement that, because of the application of subregulation (4) to that provision of regulation 5, that provision

is not a network performance requirement, and does not constitute a service standard, in relation to the part of the system.

9. Exemption from network planning requirement may cease to apply

- (1) Subregulation (4) applies in relation to an augmentation (the *exempted augmentation*), and to a provision of regulation 5 (the *exempted provision*), to which regulation 8(4) applies, if –
 - (a) the Provider in respect of the relevant transmission system to which the augmentation relates is of the opinion that there has been a material change in circumstances in relation to the part of the relevant transmission system to which the exempted augmentation relates; and
 - (b) the Provider is of the opinion that –
 - (i) regulation 8(4) ought to cease to apply in relation to the exempted augmentation and the exempted provision; and
 - (ii) the exempted augmentation, or another augmentation, is or may be necessary in relation to the part of the system in order for the system to be likely in the future to meet the requirements of that

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provision of regulation 5 if it ceases to be an exempted provision.

- (2) An affected customer in relation to an augmentation to which regulation 8(4) applies may give a notice in writing, to the Provider in respect of the relevant transmission system to which the augmentation relates, stating that the customer is of the opinion that regulation 8(4) should cease to apply in relation to the augmentation.
- (3) Subregulation (4) applies in relation to an augmentation (the *exempted augmentation*), and to a provision of regulation 5 (the *exempted provision*), to which regulation 8(4) applies, if a Provider receives a notice under subregulation (2) in relation to the augmentation.
- (4) If this subregulation applies in relation to an exempted augmentation and an exempted provision –
 - (a) regulation 8(5) ceases to apply in relation to the exempted augmentation and the exempted provision; and
 - (b) regulation 8(4) does not, on and from the relevant date in relation to the exempted provision, apply in relation to the augmentation that was an exempted augmentation and the provision that was an exempted provision; and

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- (c) regulation 7 applies in relation to the augmentation specified in the relevant information in accordance with subregulation (6)(c).
- (5) For the purposes of subregulation (4)(b), the relevant date in relation to the exempted provision is the publication date of the APR next published, after regulation 8(5) ceases, in accordance with subregulation (4)(a), to apply to the exempted provision, by the Provider in respect of the relevant transmission system to which the augmentation relates.
- (6) If subregulation (4) applies in relation to an exempted augmentation and an exempted provision, the Provider in respect of the relevant transmission system to which the augmentation relates must, in the APR next published by the Provider after that subregulation applies to the exempted provision, include a statement as to –
 - (a) the relevant opinion in relation to the exempted augmentation; and
 - (b) the application of the regulations to the exempted augmentation and the exempted provision; and
 - (c) the necessary augmentations.
- (7) A statement as to the relevant opinion in relation to an exempted augmentation is –
 - (a) if subregulation (1) applies to the exempted augmentation and the

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- exempted provision, a statement that the Provider is of the opinion that regulation 8(4) ought to cease to apply in relation to the exempted augmentation and the exempted provision; or
- (b) if subregulation (3) applies to the exempted augmentation and the exempted provision, a statement that an affected customer in relation to the augmentation has notified the Provider that the customer is of the opinion that regulation 8(4) should cease to apply in relation to the exempted augmentation and the exempted provision.
- (8) A statement as to the application of the regulations to the exempted augmentation and the exempted provision is a statement –
- (a) that regulation 8(4) has, on the publication of the statement in the APR, ceased to apply to the exempted augmentation and the exempted provision; and
- (b) that, accordingly, the exempted provision applies, on and from the publication date of the APR, in relation to the part of the relevant transmission system to which the exempted augmentation relates.
- (9) A statement as to the necessary augmentations is a statement setting out the augmentation (which may be the same augmentation as, or a different

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augmentation to, the exempted augmentation), if any, that the Provider is of the opinion is necessary in order for the system to be likely to meet the requirements of the provision that was, before the publication of the statement, an exempted provision.

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Printed and numbered in accordance with the *Rules Publication Act 1953*.

Notified in the *Gazette* on 31 January 2018.

EXPLANATORY NOTE

(This note is not part of the regulations)

These regulations –

- (a) specify the minimum network performance requirements that a power system planned by a Transmission Network Service Provider must meet in order to satisfy the regulatory test in the National Electricity Rules; and
- (b) provide for exemptions from those requirements; and
- (c) provide for ancillary and incidental matters.