



Review of Distribution Reliability Measures

Publication of the Final Report

The Australian Energy Market Commission (AEMC) has published a final report on its review of distribution reliability measures. This report presents common definitions for distribution reliability targets and outcomes across the National Electricity Market (NEM) with the aim of providing greater transparency and consistency.

Proposed common distribution reliability measures

The Australian Energy Regulator (AER) and each jurisdiction define how distribution reliability should be measured in the NEM. This means different approaches are often used, making it difficult to compare performance across networks and increasing the regulatory burden for distribution businesses.

The AEMC has developed harmonised definitions which provide a menu of proposed distribution reliability measures to be applied by the AER and participating jurisdictions for their reporting, benchmarking and incentive schemes. The use of these common definitions would increase transparency and consistency of distribution reliability measurements and improve stakeholder confidence.

Background

On 27 September 2013, the AEMC completed its review of the national framework for distribution reliability, which recommended ways of setting and regulating distribution reliability to promote greater efficiency, transparency, and community consultation. As an interim step, the COAG Energy Council requested the AEMC develop common definitions for distribution reliability targets and outcomes.

Consultation to date

The AEMC consulted with distribution businesses, consumer groups, the AER, jurisdictional governments and regulators, and the Australian Energy Market Operator (AEMO) throughout the development of its report. An Advisory Stakeholder Working Group was also established which assisted with development of the policy and definitions. Stakeholders broadly agree on the proposed policy and definitions in the final report.

Next steps

The AEMC provided its final report to the COAG Energy Council on 5 September 2014 for its consideration. To implement the changes, the AEMC recommends amending the National Electricity Rules, requiring the AER to develop, publish and maintain a guideline for the new definitions and consult with stakeholders in implementing the guideline.

Further information

www.aemc.gov.au/Markets-Reviews-Advice/Distribution-Reliability-Measures

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