



## Establishing values of customer reliability

AEMC invites submissions on consultation paper

**The Australian Energy Market Commission has commenced consultation on a rule change request from the COAG Energy Council that seeks to require the Australian Energy Regulator (AER) to assume responsibility for calculating and updating values of customer reliability (VCR).**

### Background

VCRs indicate the value different types of customers place on having reliable electricity supply under different conditions, and are a key input in determining the reliability standard and settings for both transmission and distribution networks, and wholesale markets. In Australia, VCRs have only been estimated a limited number of times, with no single body responsible for determining VCRs. This has led to variations in both the methodology and the resulting VCRs in previous estimations.

### The rule change request

On 22 December 2017, the AEMC received a rule change request from the COAG Energy Council which seeks to require the AER to assume responsibility for calculating values of customer reliability. The COAG Energy Council considers that this will lead to benefits through nationally consistent VCRs, improvements to the VCR methodology, and assist the AER in carrying out its regulatory functions.

### Issues for consideration

The consultation paper identified a number of issues on which the Commission is seeking feedback, including:

- responsibility for establishing VCRs
- VCR Methodology
- timing for reviews and updates of VCRs
- process for developing and updating VCR methodology
- publication requirements.

### Expedited rule making process

The Commission is progressing this rule change as non-controversial under an expedited process. Stakeholders may object to this process by 24 May 2018.

The final rule determination has been extended by two weeks to allow further time to consider stakeholder submissions. A final rule determination and final rule (if made) for this rule change request will be published on 5 July 2018 if the Commission does not receive a valid objection to the expedited process.

### Submissions

Submissions on the rule change request are due by 7 June 2018.

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