



Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online

8 June 2018

Dear Mr Pierce,

RE: Establishing values of customer reliability

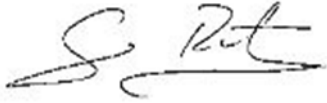
Thank you for the opportunity to comment on the *Establishing values of customer reliability – expedited rule change request*. As noted by the AEMC, this rule change request from the COAG Energy Council would make the Australian Energy Regulator (AER) responsible for calculating and updating values of customer reliability (VCR). These values are used to develop reliability standards and settings for both transmission and distribution networks, and wholesale markets.

St Vincent de Paul and SACOSS strongly support the need to update and establish new VCRs for the Australian energy market. In regards to this rule change we have a number of considerations we wish the AEMC to consider:

1. As the establishment of the VCR is fundamental in the setting the of the reliability standard and the overall operation of the settling of the wholesale market, we believe that whoever is responsible for establishing the VCR must undertake an open and vigorous consultation process that includes not only consumers and industry participants but also other market bodies and in particular the Reliability Panel.
2. The above proposed consultation process must include consultation on the methodology for establishing the VCR including VCR for various customer classes, climate zones, time of day, duration and so on.
3. Guidance is given to whoever is responsible for setting VCR to ensure consideration is given to other factors related to VCR, in particular voltage levels. We raise this as new technologies allow for changing voltage levels which can help meet reliability standards, but is achieved through other potential costs.
4. Finally, whoever is responsible for establishing VCR, we strongly encourage that they be tasked with exploring the interactions between the various VCRs (wholesale, transmission and distribution), in particular the overall end cost to consumers and the corresponding level of reliability received at the meter.

We thank you for consideration of our comments. If you have any questions, please contact Mr Gavin Dufty, Manager Policy and Research, St Vincent de Paul via gavind@svdp-org.au or Ms Jo De Silva, Senior Policy Officer, SACOSS via jo@sacoss.org.au.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'G Dufty', with a long horizontal flourish extending to the right.

Gavin Dufty
Manager Policy and Research (St Vincent de Paul)

A handwritten signature in black ink, appearing to read 'R Womersley', with a large, sweeping loop at the end.

Ross Womersley
CEO (SACOSS)