



National Electricity Amendment (Establishing values of customer reliability) Rule 2018 No. 8

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory)(National Uniform Legislation) Act 2015; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Establishing values of customer reliability) Rule 2018 No. 8

1 Title of Rule

This Rule is the *National Electricity Amendment (Establishing values of customer reliability) Rule 2018 No. 8*.

2 Commencement

This Rule commences operation on 13 July 2018.

3 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.9.3A Reliability standard and settings review

In clause 3.9.3A(e)(4), omit “*AEMO*” and substitute “the *AER* under rule 8.12”.

[2] New Part I Values of customer reliability

After Part H of Chapter 8, insert:

Part I Values of customer reliability

8.12 Development of methodology and publication of values of customer reliability

(a) For the purposes of this rule 8.12:

jurisdictional regulator means:

- (1) the Independent Pricing and Regulatory Tribunal of New South Wales established by section 5(1) of the *Independent Pricing and Regulatory Tribunal Act 1992* of New South Wales;
- (2) the Essential Services Commission established by section 7(1) of the *Essential Services Commission Act 2001* of Victoria;
- (3) the Queensland Competition Authority established by section 7 of the *Queensland Competition Authority Act 1997* of Queensland;
- (4) the Essential Services Commission established by section 4(1) of the *Essential Services Commission Act 2002* of South Australia;
- (5) the Independent Competition and Regulatory Commission for the Australian Capital Territory established by section 5(1) of the *Independent Competition and Regulatory Commission Act 1997* of the Australian Capital Territory;
- (6) the Utilities Commission of the Northern Territory established by section 5(1) of the *Utilities Commission Act* of the Northern Territory; and
- (7) any successors and assigns of a body referred to in paragraphs (1) to (6).

VCR methodology has the meaning given in clause 8.12(b).

VCR objective is that the VCR methodology and values of customer reliability should be fit for purpose for any current or potential uses of values of customer reliability that the *AER* considers to be relevant.

- (b) The *AER* must, in accordance with the *Rules consultation procedures*:
 - (1) develop a methodology to be used by the *AER* to calculate values of customer reliability (**VCR methodology**); and
 - (2) review and update the VCR methodology in accordance with paragraph (f).
- (c) Notwithstanding paragraph (b), the *AER* may make minor and administrative amendments to the VCR methodology without complying with the *Rules consultation procedures*.
- (d) The VCR methodology must:
 - (1) include a mechanism for directly engaging with:
 - (i) *retail customers*; and
 - (ii) *Customers* (other than *retailers*),which may include the use of surveys;
 - (2) include a mechanism for adjusting the values of customer reliability on an annual basis; and
 - (3) be *published* promptly after it has been developed under paragraph (b).
- (e) The *AER* must ensure that the VCR methodology developed under paragraph (b), and any values of customer reliability calculated in accordance with that methodology, are consistent with the VCR objective.
- (f) The *AER* must, prior to each date on which the values of customer reliability are updated under subparagraph (g)(2):
 - (1) review the VCR methodology; and
 - (2) following such review, *publish* either:
 - (i) an updated VCR methodology; or
 - (ii) a notice stating that the existing VCR methodology was not varied as a result of the review.
- (g) The *AER* must:

- (1) *publish* the first values of customer reliability, calculated in accordance with the VCR methodology, on or before 31 December 2019;
 - (2) update the values of customer reliability at least once every five years, with the updated values to be *published* promptly thereafter; and
 - (3) maintain on its website the values of customer reliability as updated from time to time.
- (h) For the purpose of complying with the *Rules consultation procedures* under paragraph (b), the *AER* must consult with:
- (1) the *Reliability Panel*;
 - (2) *AEMO*;
 - (3) each jurisdictional regulator;
 - (4) *Registered Participants*; and
 - (5) such other persons who, in the *AER*'s reasonable opinion, have, or have identified themselves to the *AER* as having, an interest in the VCR methodology and values of customer reliability.

[END OF RULE AS MADE]
