



## Distribution Reliability Measures

### Release of Draft Report for Public Consultation

**Today the Australian Energy Market Commission (AEMC) released the draft report for its review of distribution reliability measures. This draft report presents common definitions for distribution reliability targets and outcomes across the distribution networks in the National Electricity Market (NEM).**

#### Proposed common distribution reliability measures

Currently the Australian Energy Regulator (AER) and each jurisdiction define how reliability should be measured. This means that different approaches are often used. This makes it difficult to compare performance across networks, and can potentially increase the regulatory burden for the distribution businesses.

We have compared the different measures used in the NEM and developed harmonised definitions. These definitions provide a menu of proposed distribution reliability measures that could be practically applied by the Australian Energy Regulator (AER) and participating jurisdictions for their various reporting, bench-marking and incentive schemes. The use of these common definitions would increase the transparency and consistency of distribution reliability measurements, increasing stakeholders' confidence.

#### Background

The AEMC completed its review of the national framework for distribution reliability on 27 September 2013. The final report sets out the AEMC's recommended framework for setting and regulating distribution reliability in the NEM to promote greater efficiency, transparency, and community consultation in how reliability targets are set. As an interim step, the COAG Energy Council requested the AEMC to develop common definitions for expressing distribution reliability targets and outcomes.

#### Consultation to date

The AEMC has consulted with the distribution businesses, the AER, the jurisdictional governments and regulators, and AEMO throughout the development of its draft report. In particular, we formed an Advisory Stakeholder Working Group consisting of representation from the Energy Networks Association (ENA) and the AER. The group assisted us with the development of the policy and definitions contained in this draft report. Stakeholders are in broad agreement on the proposed definitions in the draft report.

#### Next steps

The AEMC is seeking comments from stakeholders and interested parties in response to this draft review. Written submissions should be lodged with the AEMC by no later than 5pm, 18 July 2014.

The AEMC's final report is due to be submitted to the COAG Energy Council by 5 September 2014.

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