



Exclusion for Guaranteed Service Level payments, Ausnet Electricity Services Pty Ltd – Loss of supply, 3 January 2022

Guaranteed service level payment exclusion for an outage from the New South Wales distributor Essential Energy on 3 January 2022

AusNet Electricity Services Pty Ltd (AusNet) applied to the commission on 10 February 2022 seeking exclusion from making supply restoration payments and low reliability payments (guaranteed service level payments), related to an event on 3 January 2022 from the New South Wales distributor Essential Energy (the Essential Energy power outage event).

On 20 July 2022, the Essential Services Commission decided not to grant an exclusion to AusNet from making guaranteed service level payments relating to the Essential Energy power outage event.

Under clause 6.3.4(b) of the Electricity Distribution Code (version 13, being relevantly applicable), distributors could be excluded from making guaranteed service level payments for a power outage if the outage was caused by the failure of the shared transmission network.

After reviewing the information AusNet provided, the commission is satisfied that AusNet does not qualify to be granted an exclusion from the obligation to make guaranteed service level payments in relation to the Essential Energy Station power outage event.

The commission recognises that the outage on 3 January 2022 was caused by a failure of supply assets from the New South Wales distributor Essential Energy. However, the failure did not involve the shared transmission network as required under clause 6.3.4(b) of the Electricity Distribution Code. Instead, the Essential Energy power outage event involved a failure on the Essential Energy distribution network. Accordingly, the commission is not satisfied that the Essential Energy power outage event was caused by a failure of the shared transmission network as is contemplated under clause 6.3.4(b).

The commission also did not consider any other exclusion category identified in clause 6.3.4 was applicable to the circumstances.

The commission is currently undertaking a review of the Electricity Distribution Code of Practice and will be examining the current categories of exclusion from making guaranteed service level payments to consider whether amendments are required to address those which gave rise to the events of 3 January 2022.

Essential Services Commission

20 July 2022