



## Exclusion for Guaranteed Service Level payments, AusNet Electricity Services Pty Ltd – Loss of supply, 12 June 2022

### **Guaranteed service level payment exclusion for an outage from the New South Wales distributor Essential Energy on 12 June 2022**

AusNet Electricity Services Pty Ltd (AusNet) applied to the commission on 19 July 2022 seeking exclusion from making supply restoration payments and low reliability payments (guaranteed service level payments), related to an event on 12 June 2022. This event related to a failure arising from assets of the New South Wales distributor Essential Energy (the Essential Energy power outage event).

On 9 September 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 14, 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 accepts the cause of the event as advised by AusNet, that the outage on 12 June 2022 was caused by a failure of supply assets of 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 recently made the Electricity Distribution Code of Practice to take effect from October 2022. This includes a new category of exclusion from making guaranteed service level payments to address the scenario which gave rise to the event of 12 June 2022.

Essential Services Commission

9 September 2022