

19 July 2019

Mr Joe Dimasi
Tasmanian Economic Regulator
Office of the Tasmanian Economic Regulator
GPO Box 770
Hobart TAS 7001

Dear Mr Dimasi

RE 2019 Network Reliability Review

Thank you for the opportunity to provide feedback on the terms of reference for the 2019 Network Reliability Review (**the Review**).

TasNetworks is broadly satisfied with the scope and proposed conduct of the Review, however, would like to suggest the inclusion of one further element in the review.

Clause 5(1) of the *Electricity Supply Industry (Network Planning Requirements) Regulations 2018* covers acceptable network planning requirements of a transmission system to meet levels of network performance. TasNetworks suggest that there would be benefit in having these reviewed to ensure consistency between the reliability expectations of the transmission and distribution networks.

In Tasmania, the transmission system includes the peripheral 110 kV network and substations that supply the distribution network at 33, 22 and 11 kV. However, in the rest of the National Energy Market, these parts of the network would largely be classed as part of the distribution network. The regulations set performance requirements suitable for the backbone of the transmission network but applying the same requirements at the periphery can lead to perverse outcomes.

For example, clause 5(1)(iv) states the unserved energy cannot exceed 300 MWh for a single credible event on a transmission system. At Meadowbank 110/22 kV substation, the loss of the single 10 MVA 110/22 kV transformer, would result in more than 300 MWh of unserved energy. At present the Regulations therefore require TasNetworks to reinforce the network to manage this constraint (e.g. install a second transformer). However, Meadowbank supplies only the distribution network, which has its own reliability targets set in the Tasmanian Electricity Code. Currently the reliability for those customers connected to

Meadowbank is compliant with those targets. Therefore, to satisfy the requirements of the Regulations would require TasNetworks to carry out investment not necessitated by the Tasmanian Electricity Code.

To avoid the conflict described above, TasNetworks suggests a review of the Network Planning Requirements for those parts of the transmission network supplying only distribution customers.

If you require any further information on the above, please contact Tim Astley, NEM Strategy and Compliance Team Leader on 6271 6151 or tim.astley@tasnetworks.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chantal Hopwood', with a stylized flourish at the end.

Chantal Hopwood

Leader Regulation