

7 June 2024

Kris Funston
Executive General Manager
Australian Energy Regulator
Sent via email: vnr2024@aer.gov.au

Dear Dr Funston,

Re: 2024 Value of Network Resilience Issues Paper

TasNetworks appreciates the opportunity to provide feedback on the Australian Energy Regulator's (AER) Values of Network Resilience (VNR) Issues Paper. As the Distribution and Transmission Network Service Provider in Tasmania, TasNetworks understands the impact that extreme weather events, particularly bushfires and floods, have on electricity networks and our customers. The development and use of a VNR will support networks plan and operate the network to better withstand and recover from extreme weather.

TasNetworks is supportive of Energy Networks Australia's submission and makes the following additional comments.

The VNR should reflect the value customers place on having a resilient network. TasNetworks supports the AER's approach to use a relatively simple methodology to develop an initial VNR that is more reflective of customer preferences than the current Value of Customer Reliability (VCR).

However, it is important that the AER explores more robust methodologies in a timely manner so that the initial VNR is updated to best reflect values customers place on a resilient network.

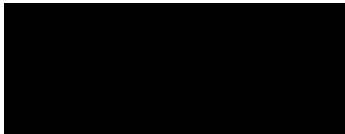
TasNetworks has raised concerns previously with the limitations of the current VCR survey methodology¹. In particular, the failure of the AER to explain large changes in VCRs between reviews and the need to examine whether the VCR annual adjustment should account for changes in customer reliability preferences due to increasing electrification. TasNetworks considers that the use of the VCR in options 2 and 3 would heighten the importance of ensuring that the VCR methodology is robust and accurate.

¹ 2024-04-23 TasNetworks – submission on draft determination - VCR

The methodology should also consider the impact of long duration outages in rural areas compared to urban areas. The value that rural customers place upon a resilient network is likely to vary from urban dwelling customers due to the surrounding infrastructure and the frequency of outages.

Thank you for the opportunity to make a submission on the proposed VNR methodology. If you have any questions in regard to this letter, please contact Sam Riewoldt, Regulatory Analyst at [REDACTED]

Yours sincerely



Chantal Hopwood
Head of Regulation