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# **AusNet Transmission Group Pty Ltd**

**Transmission Revenue Review 2023-2027**

**Revised Revenue Proposal**

**Appendix 9D: AusNet Services NCIPAP  
proposal – AEMO letter**

**Submitted: 1 September 2021**

**PUBLIC**



27 August 2021

Monico Aquino  
Regulatory Economist  
AusNet Services  
Level 32, 2 Southbank Boulevard  
Southbank  
Victoria 3006  
Via email: [REDACTED]

Level 22  
530 Collins Street  
Melbourne VIC 3000

**Postal Address:**  
GPO Box 2008  
Melbourne VIC 3001

T 1300 858724  
F 03 9609 8080

Dear Monico

**AEMO review of AusNet Services proposed Network Capability Incentive Parameter Action Plan (NCIPAP) for 1 April 2022 to 31 March 2027**

I am writing to provide AEMO's review of your proposed NCIPAP project for the regulatory period 1 April 2022 to 31 March 2027, as requested on 10 August 2021. This review is provided in compliance with clause 5.2 of the Service Target Performance Incentive Scheme (STPIS)<sup>1</sup>.

AusNet Services has proposed a NCIPAP project to instal a Realtime System & Restoration Manager (RTSRM) to reduce supply restoration time following a partial or total Victoria-wide blackout.

With the additional information provided by AusNet Services on 16 August 2021, AEMO agrees with AusNet Services' project need, improvement targets and likely material benefits. AEMO's assessment is provided in the attachment to this letter.

If you have any questions please contact Nadesan Pushparaj on [REDACTED].

Yours sincerely

**Samantha Christie**



Manager Network Planning  
cc: Ms Belinda Sheldrick, Assistant Director, AER.

<sup>1</sup> AER, Service Target Performance Incentive Scheme v5, October 2015.

[https://www.aer.gov.au/system/files/AER%20-%20STPIS%20version%205%20%28corrected%29%20-%2030%20September%202015\\_0.DOCX](https://www.aer.gov.au/system/files/AER%20-%20STPIS%20version%205%20%28corrected%29%20-%2030%20September%202015_0.DOCX)

AUSNET SERVICES NCIPAP PROPOSAL - AEMO LETTER AUG2021.DOCX

AusNet Services: Proposed NCIPAP project for the regulatory period 1 April 2022 to 31 March 2027  
AEMO Review – August 2021

Sourced from AusNet Services										AEMO Review	
Project name	Transmission circuit/Injection point	Scope of works	Current limit and reason for the limit	Target limit	Completion date	Capital cost estimate (\$M)	Annual operating cost estimate (\$M)	Market benefit per annum (\$M)	Pay back period	Review of material benefit and Comments	Benefit category
Realtime System & Restoration Manager (RTSRM)	Realtime predictions of Victoria wide transmission network and terminal stations at the AusNet Services Transmission Operations Centre.	Install RTSRM General Electric Energy Management System (EMS) application.	Existing EMS with default system restoration process and restoration time after a major disturbance event. It is assumed, (1) 6 hours to restore supply from Victoria system-wide blackout and, (2) 1 hour for supply restoration of localised loss of supply to each of the terminal stations in Victoria.	Advanced EMS which allows to reduce the restoration time. It is assumed 10% reduction in supply restoration time following Victoria system-wide blackout or loss of supply to a terminal station.	During 2022-2027 regulatory period.	0.85	0.00	0.60	1.4 years	Proposed RTSRM is to allow identification of the best set of actions for network restoration following a partial or total Victoria-wide blackout. AusNet Services advised application of RTSRM would reduce the supply restoration times by about 10%. Material benefit was assessed by estimating reduction in unserved energy.  AusNet Services determined the economic benefit with the probability of 1 in 200 years event of system wide blackout in Victoria and with probability of 1 in 20 years event for loss of supply to individual terminal stations. There is no historical data on probability of a system wide blackout in Victoria. However, if a higher probability were assumed the pay-back period would be reduced below 1.4 years.	Likely benefit to consumers.