

What are Network Capability Projects?

The Service Target Performance Incentive Scheme (Scheme) administered by the Australian Energy Regulator (AER) provides incentives to improve the performance of the electricity network, based on availability, reliability and market impact measures.

A Network Capability Incentive was introduced to the Scheme to incentivise transmission businesses to fund low cost works to improve the utilisation of the network and release additional capacity to the benefit of consumers.

ElectraNet has consulted with consumers to develop a proposed Network Capability Incentive Parameter Action Plan (Plan) containing a range of such projects to improve network capability.

How are these projects approved?

The Australian Energy Market Operator (AEMO) must independently assess the projects it considers will deliver the most efficient outcomes for consumers. AEMO has endorsed all projects proposed by ElectraNet in its finalised Plan.

The AER must formally approve the Plan, and must be satisfied that the priority projects would improve the capability of the transmission network at times most needed and result in a material benefit to consumers and the market.

The projects contained in ElectraNet's finalised Plan currently before the AER are outlined below.

How do Network Capability Projects benefit consumers?

These projects improve network capability by contributing to reduced congestion, more efficient operation of the network and improved market outcomes.

Reduced congestion and improved operation enables lower generation costs, delivering benefits that should ultimately pass to consumers through reduced wholesale electricity costs.

What are the next steps?

Following the release of a draft Plan for public comment in late 2014, ElectraNet has taken on board feedback received from stakeholders on its proposals and submitted a finalised Plan to the AER for formal approval.

The AER will consult further with stakeholders before a final decision is made. If approved, an Action Plan could be in place for commencement in 2015-16.

Like to know more?

The finalised Plan is available on the ElectraNet website www.electranet.com.au. If you would like further information on ElectraNet's network capability proposals, please direct enquiries to:

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Network Capability Incentive Parameter Action Plan Proposals (Estimated \$m nominal)

Proposed Project	Completion date	Cost (\$m)	Benefits (\$m pa)	Payback period	Rank
Upper South East uprating	2015-16	2.30	> 2.6	< 1 year	1
Riverland uprating	2016-17	4.43	> 2.4	< 2 years	2
Robertstown – Waterloo East uprating	2017-18	1.33	~ 0.3	~ 5 years	3
Load model enhancements	2016-17	0.11	Studies intended to deliver future benefits in network operation and planning		4
Distributed rooftop solar PV response to frequency disturbances	2015-16	0.06			5
Lower South East uprating	2015-16	1.83	~ 0.32	~ 5.7 years	6