

Consultation summary

Revoking the Electricity System Code: Draft Decision

Introduction

On 28 September 2023 we published our draft decision to revoke the Electricity System Code. In our draft decision we noted that the obligations in the Electricity System Code are now largely regulated via the National Electricity Rules and the National Electricity Law.

Our draft decision is to revoke the Electricity System Code and update existing transmission licences to reflect the revocation of the code and ensure consistency across licences.

Consultation process

We requested feedback from stakeholders and the public on our draft decision. We considered stakeholder feedback on whether:

- stakeholders had any concerns with the proposed revocation of the code
- there are any provisions of the code we should consider retaining
- transmission companies had any concerns with proposed variations to transmission licences.

During the six-week consultation period, we received a total of six submissions, two submissions were from distribution and transmission companies, one submission from an interconnector, two submissions from a market body, and one submission from an industry body.

A summary of submissions and the key issues which gained the attention of stakeholders are highlighted below. These include:

- retaining the High Voltage Protection Sub-Code
- retaining provisions on voltage levels for connection points between transmission and distribution businesses
- communication obligations and planning responsibilities
- transmission service standards
- licence conditions related to dispute resolution for land access rights
- licence conditions related to public liability insurance.

Next steps

We are reviewing the feedback received and preparing our final decision. We will further engage and work collaboratively with stakeholders in the coming weeks as we prepare our final decision. Our final decision is expected to be published in March 2024.

Summary of feedback

Overall, most stakeholders agree with our draft decision to revoke the Electricity System Code and to update electricity transmission licences. Some stakeholders suggested some provisions in the code should be retained. These provisions are highlighted below.

List of stakeholder submissions	
Distribution and transmission Companies	AusNet
	Jemena
Interconnector	APA Group (Basslink)
Market body	Australian Energy Market Operator (AEMO), Energy and Water Ombudsman Victoria (EWOV)
Industry body	Master Electricians Australia

High Voltage (HV) Protection Sub-Code

- AEMO Victorian Planning (AVP) stated that they require connecting parties to comply with the High Voltage Protection Sub-Code and that AVP is currently supported in this requirement through the existence of clauses 100.4.1 to 100.4.3 of the Electricity System Code.
- AusNet does not consider the HV Protection Sub-Code to be referenced operationally nor proactively governed by committee as set out in the Electricity System Code. AusNet considers the requirements of the HV Protection Sub-Code are deeply embedded into industry standards and, as such, do not need to be retained.
- CitiPower, Powercor and United Energy provided us feedback that it would be beneficial for the HV Protection Sub-Code to be maintained in a cooperative manner between Victorian distribution and transmission companies.

Procedure for setting target voltage levels for points of supply under 100kV

- AVP considers that it relies on the procedures within clauses 110.2.1(a) and (b) of the code to request supply quality data from distributors and deems this data relevant for the energy transition. AVP requests the retention of these provisions.

- AusNet considers the process of distributors notifying AEMO of the desired voltage level and AEMO defining voltage levels is deeply embedded in Victoria as part of good industry practice for joint planning, and therefore, supports the revocation of these clauses along with the code.

Communication obligations and planning responsibilities

- AusNet considers that some communication obligations between operator/asset owner and planner are set out in the Electricity System Code and should be reflected in network agreements once Victorian planning functions are subsumed by VicGrid. However, AusNet does not consider that these obligations are essential for the functioning of the Victorian regime and therefore should not prevent the revocation of the code.

Transmission service standards

- Basslink considers that the code should not be revoked until the commission is satisfied that there would be no gap in performance standards for current and future transmission companies in Victoria.
- AusNet states that transmission service standards are comprehensively governed by Service Target Incentive Performance Scheme (STPIS) administered by the Australian Energy Regulator (AER) and does not consider the retention of clauses relating to transmission service standards necessary.

Transmission Licence conditions

- The Energy and Water Ombudsman of Victoria (EWOV) recommends considering how to ensure appropriate dispute resolution is available to landholders to ensure complaints are quickly and efficiently resolved. EWOV considers that disputes regarding land access, including those arising from voluntary agreements, should require a robust internal dispute resolution process and the option for complainants to have their complaints referred to EWOV.
- AusNet opposes the proposed changes to the clause relating to insurance and considers that Chapter 6A of the NER and the AER's price review process more adequately address the efficient sharing of risk between insurance, self-insurance – and pass-through protection for regulated businesses.