

Network target standards

An electricity network service provider is required under the Electricity Industry Performance Code to develop and submit to the Commission for approval network target standards for a regulatory control period.

Network target standards are standards of performance based on System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) performance standards. SAIDI is an index showing the length of time customers are without power and SAIFI is an index showing the frequency of power interruptions to a customer’s power. SAIDI and SAIFI targets are required for each feeder category listed in the Commission’s Feeder Category Guidelines.

The Commission approved Power and Water Corporation’s (PWC) current network target standards, in respect of the 2019-24 regulatory control period, on 28 March 2018. These are published on the Commission’s website.

On 20 December 2022, the Commission received a submission from PWC proposing network target standards for the next regulatory control period (2024-29).

Clause 3.1.8 of the Electricity Industry Performance Code requires the Commission to make a decision on the network entity’s proposed network target standards submission within three months of receipt of the submission, provided the submission is complete and sufficient stakeholder engagement has been undertaken.

The Commission has accepted PWC’s submission and must make its decision in relation to PWC’s proposed network target standards by 20 March 2023.

Submission

PWC’s submission proposes network target standards for the 2024-29 regulatory control period as per Table 1 below:

Table 1: Proposed Network Target Standards

Feeder category	Measure*	PWC five-year average network performance	Current target (1 July 2019 to 30 June 2024)	Proposed target (1 July 2024 to 30 June 2029)	Improvement
CBD	SAIDI	5.4	4.0	4.0	0%
	SAIFI	0.1	0.1	0.1	0%
Urban	SAIDI	80.9	140.0	80.0	43%
	SAIFI	1.4	2.0	1.4	30%
Rural Short	SAIDI	247.0	190.0	190.0	0%
	SAIFI	3.6	3.0	3.0	0%
Rural Long	SAIDI	1265.1	1500.0	1260.0	16%
	SAIFI	16.3	19.0	15.0	21%

* SAIDI figures refer to the average annual outage duration for each customer, in minutes. SAIFI figures refer to the average annual number of interruptions for each customer.

Basis for proposed target standards

PWC's submission advises that the proposed targets for the 2024-29 regulatory control period are based on PWC's average network performance over the past five years in respect of each feeder category. In determining the proposed target standards, PWC states it has considered the preferences of its customers based on feedback from its customer engagement program, the historical performance of feeder categories, historical expenditure to maintain the reliability level and performance benchmarking against other utilities.

PWC's proposed network target standards would be an improvement in the Urban and Rural Short feeder categories compared to the current standards, and aligned with PWC's average network performance for the previous five years. PWC proposes the current target standards for the CBD and Rural Long feeder categories be retained for the next regulatory control period, noting PWC's average network performance for the previous five years was below the target levels.

Consultation

Although not required by the Electricity Industry Performance Code, the Commission considers it good regulatory practice to publicly consult with stakeholders and other interested parties prior to making its decision on the proposed network target standards submission.

Given the Commission must complete its deliberations within the three month timeframe specified in the Electricity Industry Performance Code and the timing of receipt of PWC's submission, the period of consultation is limited to four weeks, with submissions due by **close of business Wednesday 15 February 2023**.