



## HAVING YOUR SAY ON POWER RELIABILITY

Power reliability is important to everyone. Electricity interruptions can be costly and it can be disproportionately expensive to avoid them completely.

Different people place a different value on having reliable electricity supply. That is why the Australian Energy Market Operator (AEMO) is surveying up to 18,000 small and large customers across eastern and south-eastern Australia to help develop a measure, known as a Value of Customer Reliability (VCR). This VCR measure, or index, indicates what different types of customers (residential, commercial and industrial) are prepared to pay to maintain reliable electricity supplies.

This information can then be used as an input into electricity infrastructure planning and investment decisions and that ultimately benefits electricity customers.

### WHO IS AEMO?

The Australian Energy Market Operator (AEMO) is an independent organisation working in the long-term interests of Australian energy consumers by developing markets that offer affordable, safe, and reliable energy supplies.

AEMO is responsible for planning and operating energy systems and markets in eastern and south-eastern Australia. AEMO does not own assets or retail businesses.

### WHAT IS A VCR

The information collected across all responses from this survey will be used to develop a national index indicating the value that different-sized customers place on the reliability of their electricity supplies.

Different people place a different value on the reliability of their electricity supply. For example an industrial customer whose processes rely on uninterrupted power supply may place a higher value on the reliability of electricity supply than a different type of business.

The VCR helps electricity planners, asset owners and regulators strike a balance between delivering secure and reliable electricity supply and maintaining reasonable costs for customers.

# FACT SHEET

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Source: Commonwealth Treasury.

## WHY IS IT IMPORTANT?

Electricity prices have been rising in recent years and a significant part of that increase includes the cost of building and maintaining electricity infrastructure. Network costs make up around half of an average customer's electricity bill.

Infrastructure must be upgraded or built to maintain reliability of electricity supply or accommodate local growth in electricity consumption and the VCR is an important input into decisions about what infrastructure needs to be built and when.

## WHY NOW?

AEMO is looking at how the electricity industry can foster efficient transmission investment into the future. A number of factors are taken into consideration when new infrastructure is built or upgraded. These include reliability, cost, timing, and investment type.

It is the first time a survey of this type has taken place across the whole of the National Electricity Market (NEM), covering Queensland, New South Wales, the Australian Capital Territory, Victoria, South Australia and Tasmania, and it is the first survey in Victoria since 2007.

## CUSTOMER INVOLVEMENT

Electricity is an important part of our daily lives and integral to Australia's economy. What customers say will feed into this study, helping to ensure greater consumer input into decision-making across the energy sector.

The more people that take part in this survey, the more accurate the results will be. It's a great chance for individual consumers to influence transmission investment and electricity bills into the future.

## WHY DO YOU NEED NATIONAL METERING IDENTIFIER NUMBERS OR OTHER PERSONAL INFORMATION?

Having national metering identifier information helps AEMO confirm its data and ensures we get a representative sample of all customers across all postcodes in eastern and south-eastern Australia. Customer information remains confidential and will not be passed on.

There will be different questions asked of business customers to get better coverage of different customer types and their specific needs.

## NEXT STEPS

Following the survey, AEMO will collate and analyse the data, consulting with governments and industry on the draft VCR findings in the first quarter of next year. This information will be published on the AEMO website.

This survey will develop an index that will be made available to asset owners, governments and regulatory authorities, along with the supporting methodology, for use in electricity planning and investment decision-making.

## FURTHER INFORMATION

AEMO Information and Support Hub: 1300 858 724



[www.aemo.com.au](http://www.aemo.com.au)