

21 February 2019

Ms Suzanne Falvi  
Executive General Manager  
Security and Reliability  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Electronic Lodgement: ERC 0258  
Attention: Elizabeth Bowron

### **Consultation Paper – Early Implementation of the Integrated System Plan (ISP) Priority Projects**

Dear Suzanne,

Energy Networks Australia welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the Early Implementation of ISP Priority Projects – Queensland- NSW interconnector (QNI) and Victorian- NSW interconnector (VNI). Energy Networks Australia will respond separately to a similar Energy Security Board (ESB) rule proposed for the South Australia Energy Transformation project (SAET) and to rule change proposing amendment to NER clauses 6A.8.2 (b) (1) and 6.6A.2 (b) (1).

Energy Networks Australia is the national industry body representing businesses operating Australia's electricity transmission and distribution and gas distribution networks. Member businesses provide energy to virtually every household and business in Australia.

#### ***Support the expedited rule change***

The ESB proposed rule change applies to two time critical ISP Group 1 projects, QNI and VNI. The proposed changes facilitate concurrent post Regulatory Investment Test (RIT) regulatory processes which are currently made sequentially. Energy Networks Australia supports the proposed rule change and is supportive of the expedited approach.

Energy Networks Australia notes that in Victoria these post RIT processes do not apply and there may not be the same timeframe savings for any Victorian project works.

***Timely application for amendment of revenue determination without all triggers being met at any time of year***

To meet the ESB stated intent, there is also benefit in removing 6A.8.2 (b) (1) which prevents an application for a contingent project revenue determination being made to the Australian Energy Regulator (AER) for 4.5 months prior to the end of the regulatory year. This could create an unnecessary delay to an ISP priority project being assessed for cost recovery.

Energy Networks Australia would not want to see this clause prevent formal application to the AER and delay an AER decision which provides investment certainty to Boards. Rules that prevent an application being made for a third of the year should be removed.

As a consequence of removing 6A.8.2 (b) (1), in clauses 6A.8.2 (b) (2) and (2A) the 'subject to paragraph (1)' would also need to be removed.

Energy Networks Australia wishes to make sure that these rules which prevent an application being made, are amended as part of the expedited rule change process as we believe they are consistent with the ESB intent and do not alter the AER's discretion or consumer protections. Energy Networks Australia considers that these proposed amendments should not alter the rule change from the expedited path and may be of benefit to VNI, QNI and SAET.

Energy Networks Australia is supportive of the removal of this rule more broadly for transmission contingent projects and appreciates the responsiveness of the ESB and the AEMC to this issue. Energy Networks Australia will also respond to the rule proposal on clauses 6A.8.2 (b) (1) and 6.6A.2 (b) (1) separately.

The drafting of the definition of ISP Priority Projects in the Transitional Rules, should be amended to remove the word "mean".

Should you have any queries on this response please feel free to contact Verity Watson, [vwatson@energynetworks.com.au](mailto:vwatson@energynetworks.com.au).

Yours sincerely,



Andrew Dillon  
Chief Executive Officer