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**Elizabeth Bowron**  
**Australian Energy Market Commission**  
**PO Box A2449**  
**Sydney South, NSW 1235**

**20 March 2019**

Dear Elizabeth,

**ISP Priority Projects – SA Energy Transformation Rule (ERC0258)**

AGL Energy Limited (**AGL**) is one of Australia's leading integrated energy companies and the largest ASX listed owner, operator, and developer of renewable generation. Our diverse power generation portfolio includes base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources. AGL is also a significant retailer of energy and provides energy solutions to over 3.6 million customers in New South Wales, Victoria, Queensland, Western Australia, and South Australia. In addition, we continue to be an aggregator and developer of Demand Response and Distributed Energy Resource solutions.

AGL welcomes the opportunity to comment on the Australian Energy Market Commission's (**AEMC**) consultation paper on the ISP Priority Projects – SA Energy Transformation Rule (**Rule**).

The Rule would enable the relevant transmission network service provider to apply for a contingent project revenue adjustment for Project EnergyConnect before the Australian Energy Regulator has made a regulatory investment test for transmission (**RIT-T**) preferred option determination. No steps will be removed from the regulatory process, but the Rule would allow steps to run concurrently, speeding up the overall process.

AGL notes that the rule change request does not explicitly refer to the two project proposals covered by the RIT-T in question; the SA-NSW interconnector is referred to, but the upgrade to the NSW-VIC interconnector is not. The AEMC should explicitly identify that any rule determination it makes applies to the entire RIT-T.

Provided there is appropriate transparency in place and that the robustness of regulatory processes is maintained, we would support the proposed Rule.

If you have any queries about this submission, please contact Liz Gharghori on (03) 8633 6723 or LGharghori@agl.com.au.

Yours sincerely,

Chris Streets  
Senior Manager Wholesale Market Regulation