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Level 15, 357 Collins Street
Melbourne VIC 3000

20 March 2019

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
AEMC Ref: ERCO258

Dear Australian Energy Market Commission

Consultation Paper: National Electricity Amendment (ISP Priority Projects - SA Energy Transformation) Rule 2019

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (**MEA Group**) thanks the Australian Energy Market Commission (**AEMC**) for the opportunity to provide comments in response to the National Electricity Amendment (ISP Priority Projects – SA Energy Transformation) Rule 2019 Consultation Paper (**Rule**).

The MEA Group is the owner and operator of the Mt Mercer and Mt Millar Wind Farms as well as the Hume, Burrinjuck and Keepit hydroelectric power stations. The MEA Group also owns and operates Powershop Australia, an innovative retailer committed to providing lower prices for customers which recognizes the benefits for customers of a transition to a more renewable based and distributed energy system.

What are stakeholders' views on the issues raised by the proponent?

MEA Group accepts that a more interconnected system is likely to lead to a more resilient system which in the long run will benefit consumers both large and small.

1. MEA Group notes this rule change request relates only to two of the post-regulatory investment test for transmission (RIT-T) processes for Project EnergyConnect and that AEMO's ISP stated Project EnergyConnect would improve resilience for South Australia and enable the connection of large amounts of renewable energy resources.

Are there any other issues relevant to this rule change request that the AEMC should consider?

We suggest the two rule change requests recently proposed by Dr Schott be consolidated, those being:

2. To amend the National Electricity Rules (**NER**) to streamline three regulatory processes that are required to be undertaken by the AER after the completion of the RIT-T for minor upgrades to the QNI and the VNI; and
3. to amend the NER to streamline two of the regulatory processes that are required to be undertaken by the Australian Energy Regulator (AER) after the completion of the South Australia Energy Transformation (Project EnergyConnect) RIT-T.

Does the proposed rule address the issues stated by the proponent?

Importantly the rule change request does not propose removing any steps in the regulatory process for Project EnergyConnect but rather allows them to be run concurrently. If this allows Project EnergyConnect to be delivered 5 to 6 months ahead of the current schedule it is expected that a more resilient electricity system would be achieved sooner and on that basis MEA Group supports the proposed rule change.

Is the assessment framework appropriate for considering the proposed rule change request?

To the extent the rule change request provides the market with a clear investment signal and timeframe for implementation then MEA Group believes the assessment framework is appropriate. As with any proposed rule change the benefits to consumers must always be included as part of any proposed assessment framework.

If you have any queries or would like to discuss this submission further. Please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed McManus'.

Ed McManus

CEO

Meridian Energy Australia & Powershop Australia