

8 December 2023



James King  
Senior Advisor  
Australian Energy Markets Commission

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Dear Mr King

**Updated national energy objectives – Harmonising rules – Draft Determination**

Ausgrid is pleased to provide this submission to the Australian Energy Markets Commission (**AEMC**) in response to its *Draft Determination on Harmonising the national energy rules with the updated national energy objectives (Draft Determination)* dated 26 October 2023.

Ausgrid operates a shared electricity network that powers the homes and businesses of more than 4 million Australians living and working in an area that covers over 22,000 square kilometres from the Sydney CBD to the Upper Hunter.

In its Draft Determination the AEMC identified practical challenges to implementing transitional measures for the networks on the 2024-29 reset cycle. We agree that there are challenges, particularly with respect to the time available to run customer engagement processes in the time between the AEMC's Final Rule (February 2024) and Australian Energy Regulator's (**AER**) Final Determinations on the 2024-29 resets (April 2024).

We considered recommending changes to the pass through mechanism in the NER to overcome these challenges. In particular, we considered that transitional rules could be made to allow networks on the 2024-29 reset cycle more time than the usual 90 business days to submit a regulatory change event pass through application in response to the AEMC's Final Rule. This deadline could be extended to 1 July 2025 to allow time for the Value of Emissions Reduction (once published) to be included in investment analysis and for networks to run customer engagement processes that aligns to the Better Resets Handbook. This would avoid an effectively five year delay to the implementation of amended NEO and Final Rule.

We recognise that transitional measures would lead to additional regulatory processes for the AER, customers and the impacted networks. On balance, we accept the Draft Determination to not implement transitional measures so that the networks on the 2024-29 reset cycle can finalise their regulatory determinations in April 2024, as scheduled.

If you would like to discuss any aspect of this letter, then please contact Shannon Moffitt, Regulatory Strategy Manager, on 0468 616 512.

Regards

A handwritten signature in blue ink, appearing to read "Fiona McAnally", written in a cursive style.

Fiona McAnally  
Acting Head of Regulation