

6 December 2023



Part of Energy Queensland

Ms Anna Collyer  
Chair  
Australian Energy Market Commission

Project Reference Code: ERC0362

Dear Ms Collyer,

**Consultation on the draft rule determination to harmonise the rules with the updated National Energy Objectives**

Ergon Energy Corporation Limited (Ergon Energy Network) and Energex Limited (Energex), both distribution network service providers (DNSPs) operating in Queensland, welcome the opportunity to provide feedback to Australian Energy Market Commission (AEMC) in response to the draft rule determination: *Harmonising the national energy rules with the updated national energy objectives (electricity, gas and retail) rule change*.

Ergon Energy Network and Energex support the recent change to the National Energy Objectives to incorporate an emissions reduction component. This reform will support the delivery of Queensland Government initiatives, in particular the Queensland Energy and Jobs Plan, as part of the wider energy transition occurring across Australia.

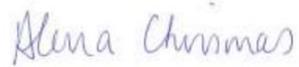
We note the draft Rule proposes that the Australian Energy Regulator (AER) must update and publish specific instruments and guidelines, such as the Cost Benefit Analysis Guidelines and the regulatory investment test for distribution application guidelines, by no later than 31 December 2024. We also note that, prior to the commencement of the Rule (proposed to be 1 February 2024), the AER may undertake consultation on updating these instruments and guidelines.

While we understand that the AEMC considers that detailed guidance is best provided by the AER, we are concerned that DNSPs may be required to consider changes in Australia's greenhouse gas emissions in regulatory investment tests (RIT) before sufficient guidance is finalised. If the AER does not update and publish relevant instruments and guidelines until, for example, October 2024, this could leave a period of some 7 months whereby no updated guidance would be available. This leaves space for confusion and inconsistent application across DNSPs.

It is important that all DNSPs are provided with timely guidance as to what is required to be considered, and what is to be assessed, in the RIT process. We strongly encourage the AER to commence the process of updating the relevant instruments and guidelines as quickly as possible. We also encourage the AER to incorporate worked examples, which will assist DNSPs in applying the Rule.

Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact either myself, or Mark Simpson on 0467 837 450.

Yours sincerely

A handwritten signature in blue ink that reads "Alena Christmas".

Alena Christmas  
**Acting Manager Regulation**

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***Encl:*** Energy Queensland response to consultation questions