

John M Arneaud

10<sup>th</sup> ~~2<sup>nd</sup>~~ May 2011

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A42449  
Sydney South  
NSW 1235

Submitted on-line via AEMC website

Dear Mr Pierce,

Reference: ERC0100

I making this submission as a private individual. As advised, I have removed personal information from this version of my submission, to satisfy the South Australian Government Information Privacy Principles Instruction which applies to the AEMC. (Ver #2)

I have read the proposed Draft SENE Rule and would like to offer the following comments for consideration, in the interests of good market regulation and the avoidance of ambiguity in the Final Rule.

Some comments on SENE Draft Rule of March 2011

1] 5.5A.2 (b) (1) - Duplication of SENE studies

The possibility exists that another TNSP may be conducting a SENE Design and Costing Study related to the same geographic area.

A Tasmanian example of this would be where Transend were considering a SENE from King Island to mainland Tasmania but AEMO (as VIC TNSP) received a request to do a study for a SENE from King Island to Portland, VIC. There would be advantages in considering the two together. Similar cases could arise across other jurisdictional boundaries.

2] 5.5A.2 (e) - Potentially iterative operation of these clauses

This process could be iterative, in that once the notice has been published, the TNSP may discover another party who may wish to join the SENE. Additional efficiencies in scale may be achieved by allowing the scope of the SENE study to be enlarged. However, this could delay the original SENE proponent, so perhaps only a single iteration should be allowed.

In the end this is a matter of AEMC judgement and compromise. What is essential is certainty in the Rule about veto rights (or the lack of a veto) and how the risk of delay to the original proponent's project is managed, whilst at the same time capturing the greatest feasible economies of scale, by discovering all the parties with a real (as opposed to tactical-blocking) desire to join the SENE.

3] 5.5A.3 (b) (6) - Required augmentation

Even severe downstream network congestion does not necessarily require a TNSP to augment the shared network.

