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Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box H166
Australia Square NSW 1215

Email: submissions@aemc.gov.au

Dear Dr Tamblyn

**National Transmission Planning Arrangements:
Issues Paper – 9 November 2007**

Thank you for the opportunity to comment on the issues involved in establishing an enhanced transmission planning process. CitiPower and Powercor Australia are Victorian electricity distributors who are registered with NEMMCO as Network Service Providers under clause 2.5 of the National Electricity Rules (NER)

CitiPower and Powercor support the comments made by the ENA on this issue, particularly in relation to the development of a regulatory investment test (RIT). The following additional comments are provided for your consideration in relation to the interaction between the National Transmission Planner and Distribution businesses.

Boundary between National and local Planning. (Section 3.1)

The Issues Paper discusses the boundary between National and Local planning. Currently the Victorian distribution businesses have responsibility for an aspect of Local Planning in that they are responsible for planning transmission connection and annually publish a joint Transmission Connection Planning report. It is important that the roles and responsibilities of the respective planning bodies be clear whilst at the same time providing for the effective integration of the separate planning functions into a cohesive and efficient process. The NTP must ensure that it has a clear

understanding of the Local plans and provide an opportunity to the Local planners to provide input to the National Plan to ensure that the processes are efficiently integrated.

Scope of the National Plan (Section 3.3)

CitiPower and Powercor agree that it is important that the current joint planning carried out by TNSP's and DNSP's be maintained. This is particularly important with increasing interest in embedded generation which has technical implications for both TNSP's and DNSP's. This is not meant to infer that the NTNDP should extend to cover Distribution planning matters, it is only intended to highlight the importance of close co-operation between the planning bodies.

The 10 year planning horizon is regarded as an absolute minimum to allow effective co-ordination with Distribution planning horizons. A longer planning horizon, perhaps with reduced detail after 10 years, would be preferred.

The interface between transmission and distribution is very important and the role of distributors should be kept in mind when reviewing the transmission planning function.

The transmission planning process should also keep in mind ways of optimising the transmission and distribution functions. This will require close co-operation between the responsible planning bodies with adequate planning horizons to provide scope for effective optimization.

Should you require further information in relation to this submission, please do not hesitate to contact me on (03) 9683 4282

Yours sincerely

Rolf Herrmann
MANAGER REGULATION