



Australian Energy Market Commission

Review of National Framework for Electricity Distribution Network Planning and  
Expansion

Draft Report Public Forum – Transcript of Proceedings<sup>1</sup>  
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<sup>1</sup> Minor edits have been made to provide clarity and to address gaps due to recording errors.

MR GRAHAM: This is a briefing today on the distribution network planning framework review. Steve Graham is my name. I the Chief Executive of the Australian Energy Market Commission (AEMC), and we have also from the AEMC Eamonn Corrigan, Anne Pearson, John Tamblyn, our chairman, Sarah Lau, Anita Lai and Charles Hoang. What I want to do, just by way of introduction, is to run through the objectives for the review, the wider context that we're doing this review in, the approach we've taken, and then Anne and Eamonn will take you through more detail. During the course of the morning we'll have opportunities for questions. There are roving mikes; please state your name and your affiliation before asking your question.

So, starting with the objectives of the review, under the Australian Energy Market Agreement, the Council of Australian Governments (COAG) committed to establish a national framework for electricity distribution planning, and the Ministerial Council on Energy (MCE) issued a terms of reference to the AEMC in December 2008, which has formed the basis of this review. The terms of reference provide a very clear prescription on the design and the required components to the framework. It's been stipulated that the DNSP must undertake an annual planning process. That process will produce and make public the available annual planning reports, with a five-year horizon, and there'll be case-by-case project assessment processes which will consider non-network solutions as part of the expansion, and there'll be a dispute resolution process.

There is an exclusion, though. The review does not cover connections. The framework will provide, we believe, a clearly defined efficient planning process for efficient network development that includes unbiased assessment of non-network alternatives. There'll be a process transparency; appropriate information provisions to all network users, including non-network proponents; consistency across all regions to minimise costs of engagement and other factors; and reduced compliance costs.

The framework needs to operate in a broader regulatory regime, as you're aware, to ensure that we get appropriate investment outcomes. Reliability of supply to customers has got an increased focus these days, as we all know, and it's very important that we get this right in the broader framework. There are a number of current reform activities going on that impact on the distribution side of the business. Some of these that we highlight is the MCE customer framework process, which the connections have been incorporated into, we understand. We have also a demand side participation review (the DSP Review) going on at the present time, and we refer to more details about our reviews in Appendix C of the report [the Draft Report to this review], and I suggest that you read that if you haven't already. The draft report on the Demand Side Participation Review was published in April, and the final report is to be published in October of this year.

We're also doing, as you would be aware, the Climate Change review, and there are a number of issues relevant to distribution and networks generally that have been highlighted in the climate change reports. The second interim report was published in June, and the final report is to be published at the end of September.

In addition, our report on distribution planning highlights the need for further reviews in a few areas in order to promote national consistency. In particular, the process for setting jurisdictional reliability standards is one thing we're focussed on. At the moment there's a lack of clarity and transparency around the methodology and the processes for determining the standards, and also in relation to compliance. There's a lack of transparency around how compliance is achieved and what the penalties for non-compliance are. So we think there's

some further work that needs to be done in that regard.

In terms of monitoring and reporting of reliability performance, there's a high level of variability amongst the jurisdictions, which may lead to inefficient investment outcomes. The publication of asset management processes is not required in all jurisdictions. We think there's benefit in there being a uniform approach of disclosure across all jurisdictions, and that there be common reporting requirements.

Just to recap on our approach to this review, for those who may not have been involved throughout. We issued a Scoping and Issues Paper in March 2009. There were 19 submissions received to that paper. Following the publication of the paper, we've had a number of follow-up meetings with interested stakeholders, two workshops, which over 80 people attended, over 40 to each workshop, in May and June, and I think for a first for the AEMC we used a workshop approach with participants to try and promote greater engagement from the participants, and the feedback we've had is that worked quite well. So, hopefully, that's reflected in our findings and outcomes.

The principles that we are following, in conducting this review, are a focus on delivering economic efficiency; transparency; providing a solution that's proportional to the problem, that doesn't bias technological solutions; providing consistency across the NEM; it's fit for purpose reflecting the local conditions, so it will allow add-on variability for local circumstances; building on existing jurisdictional requirements; and achieving consistency with the national transmission planning framework.

The key considerations in developing our recommendations have been achieving a balance between regulatory costs and benefits to the market, ensuring efficient network planning through the project assessment process, including identification of non-network alternatives, ensuring we get interaction between transmission and distribution planning - and Anne will talk later about joint planning. As I said before, I need to get the framework to reflect local conditions and characteristics of the network locally.

So, having said that introduction, I'll now hand over to Anne. The program for the morning is that Anne will talk about the planning and reporting process. As I said before, there will be question and answer opportunity there. Eamonn will then follow up with the Regulatory Investment Test for Distribution (RIT-D) and dispute resolution, and then Anne will have an encore on joint planning. Okay, over to you, Anne.

DR TAMBLYN: Steve, could I just make one addition. You've made this clear, I think. But the areas we thought were areas of further work are not part of this review. We've got clear terms of reference for this review, and these are observations we're making to the MCE where there could be further work if the MCE agrees to address those further matters left standing, that we've referred to. So just to be clear, what's in the review and what are observations about some further work will not be done if the MCE agrees. Sorry, hand over to Anne.

MS PEARSON: Thank you, everyone. I'm Anne Pearson. As Steve said, I'm going to be talking about the annual planning process, and reporting aspects from the draft report.

This slide just shows the areas that I'll go through with you this morning, being the purpose of the annual planning and reporting, the annual planning process, demand side engagement strategy, distribution annual planning report, and the content of the Distribution Annual Planning Report. I'll go through each of our key recommendations, and the basic reasoning

rationale supporting them. If you have any questions, I'm happy for you to perhaps ask them at the end of each issue, only because we're recording today, and you need to grab the microphone.

The purpose of annual planning and reporting is, as we've said in our report, to identify possible issues that could negatively affect system performance. The framework that we've suggested, we hope, would ensure that DNSPs develop the network efficiently, including planning for, and adequately addressing issues in sufficient time, and consider all feasible alternatives, including non-network alternatives in a neutral manner. Further, a national planning framework would ensure that there's a common planning process, and provide certainty for investors.

One of the main reasons for undertaking this review from the MCE's perspective has been to encourage the engagement of non-network proponents. The terms of reference asked us to look at a perceived failure by DNSPs to look at non-network alternatives, and that formal planning requirements alone are unlikely to lead to increased engagement with non-network proponents and investigation of non-network options. So that was one of the other purposes that we were trying to achieve.

This slide seeks to illustrate that the planning arrangements that we've proposed consist of three intersecting parts; being the annual planning process, the RIT-D that Eamonn will talk about a little later, and the distribution - and the demand side engagement strategy. It's through the interaction of these three components that the overarching purposes and objectives of the national process could be best achieved, in our view. An example is that non-network proponents would be able to review the annual planning report to evaluate potential options that could be discussed with DNSPs through the demand side engagement strategy.

Another is that the RIT-D recognises prior consultation conducted by DNSPs through the demand side engagement strategy. We hope that the broader framework should ensure that costs are minimised in the long run by providing a clear process to ensure that all feasible and credible solutions are considered at the appropriate time. The Commission's recommendation is that each DNSP would carry out an annual planning process covering a minimum forward planning period of five years. The process would apply to all distribution network assets and activities undertaken that would be expected to have a material impact on the distribution network. Added to that is that there would be a 10-year planning for any transmission assets that are operated by a distribution business.

So the planning process would apply to all of the DNSPs' networks and assets and activities that would have a material impact on the network in the forward planning period. DNSPs would be required to prepare forecasts of maximum demand, giving consideration to customer connections, consumption, and the level of embedded generation, and DNSPs would be required as part of this process to identify system limitations and potential solutions, including taking into consideration non-network alternatives.

This slide sets out very briefly our rationale for making this recommendation. We were guided very much by the MCE's terms of reference, which stated some outcomes, which are that DNSPs are to have a clearly defined and efficient planning process, and DNSPs should be undertaking a standard and comprehensive forward planning. So the planning framework needs to ensure that planning is carried out over a reasonable period to identify and address potential problems on networks to maintain the required level of service to consumers. The

planning process undertaken must be comprehensive to ensure that DNSPs make efficient planning decisions across their networks.

To achieve the objectives of planning, the national framework should encompass augmentations and replacements, and direct control and negotiated services. Our draft recommendation set out minimum requirements, and in this regard we recognise the differences in planning methodologies adopted by DNSPs, and they provide flexibility for any specific jurisdictional geographical requirements to be met, and also to allow for differences in operating environments and network conditions across the DBs.

The next area is the demand side engagement strategy. The recommendation in this respect is that each DNSP would be required to use reasonable endeavours to engage with non-network proponents and consider non-network alternatives. Each DNSP would be required to establish and implement a demand side engagement strategy. The draft report sets out three elements to this strategy, including the demand side engagement facilitation document, which I'll just call "the document", a public database of proposals and case studies, and a register of interested parties.

The document - going back to the first one, the document would be subject to ongoing development, and reviewed at least once every three years. It would provide relevant information detailing the processes adopted by DNSPs to assess non-network proposals and engage with non-network proponents, and in our draft report we've suggested the type of information that should be included in that document. The database would contain samples of proposals and case studies. The availability of this information, we think, would enable non-network proponents to propose better options. The interested parties register would simply be a register of parties that would receive updates regarding relevant information.

Our reasoning for suggesting this strategy, and the three limbs to it, are first of all trying to address the issue raised by the MCE about a perceived failure to look at non-network alternatives. The national framework must promote efficient investment in distribution networks, and that requires DNSPs to consider all feasible options for network development, both network alternatives and non-network alternatives. The strategy recognises the importance of the proactive engagement of DNSPs and non-network proponents in developing solutions to network problems. The strategy that we've suggested builds on best practice and provides transparency and clarity around processes adopted by DNSPs today in New South Wales and Queensland.

It promotes improved opportunities for positive engagement and interaction between DNSPs and non-network proponents. It's consistent with the MCE's requirement for information transparency regarding analysis and decisions made, and the framework provides flexibility we think by allowing DNSPs to develop processes that are best suited to them and to their stakeholders. In our draft report we have sought comments from stakeholders on a couple of areas, one being the proposed content of the facilitation document, and one other being whether or not explicit protocols for implementation of delivery of the strategy are warranted.

I'm just wondering, did anyone have any comments on those that they want to share with us this morning, those aspects, views? No? Okay.

DR TAMBLYN: Could I just observe. The terms of reference refers to a perceived failure by DNSPs to consider non-network options. So you might, as distribution businesses, bridle a bit at that language. I guess I would observe that all DBs are making efforts in this area to

increase demand side participation. The question of making it more effective and more accessible is part of the process that we're sending out, because I think if you'd think about it in those terms, and getting a more consistent framework for this kind of engagement and across each of the DBs. So that's what we're trying to do in this framework. A number of the businesses are doing quite well in this area, and we're building on that experience to get a more standardised approach. So I thought I'd just make that quite observation.

MS PEARSON: Yes, thank you.

MR TOM HALLAM, SP AUSNET: Could I just make an observation on those comments? Yeah. Tom Hallam, SP AusNet. I note that, with regards to a perceived problem, the AEMC in effect in its draft decision on the DSP Review, the decision could be pretty much summarised as "they perceive no problem in this area" and now we have a decision here which appears to contradict your statements or conclusions in that review. I would simply observe that, given the choice between improving incentive arrangements for DNSPs or imposing further regulation, I would expect the outcomes of one path simply to be higher costs that consumers will have to pay, whereas perhaps an improved incentive regime, if the problem is real, would in fact drive the outcomes that both the DN proponents and perhaps some other stakeholders would prefer. I guess my question revolves around, you seem to be of two views in the one organisation. Which view will win out? Are we expecting a dramatically different final decision on the DSP Review?

DR TAMBLYN: I don't entirely agree with your characterisation of the DSP Review, and I would say that we are saying, in many respects, first of all, the demand side is under-represented in our market, in the commodities side and in the network side, and all efforts to improve the participation of the demand side are worthwhile. In some areas we did observe that there wasn't the framework, the rules, the requirements, that were the problem, but often behaviour, the engagement both of network businesses and demand side participants with the opportunities that are available. So this framework here is to try and set up a framework where that engagement and the behaviour and, dare I say, almost cultural attitudes out of history, can be readjusted to better engage with the demand side.

As to where we'll land on the two reviews, I think your comment is a useful comment for us to keep in mind, and those two reviews are ongoing. So we will reconcile the views in those two reviews. But I think your characterisation of a black and white situation rather than a grey area where we all need to work more effectively, I'd just slightly cavil with. But it was a useful observation. So, thank you.

MR HALLAM: Well, I'll probably just finish up by saying, perhaps, yes, I am being unfair with the black and white characterisation. But I think my fundamental observation is, if there's behavioural problems, of which you're saying you've identified some, incentive frameworks are so much more effective at addressing those than words on pages.

MS PEARSON: They can work together, I think. Okay.

MR PAUL GRAMMENS, ENERGYONE: I worked for distribution companies and retailers over many years, and probably put together about 20 demand side participation schemes - I suppose we could use "DSP" for a quick acronym - and in every case it seemed to me you could characterise as alternative fuel; that is, one with a particular carbon benefit, you know, generating from coal seam methane instead of flaring it, curtailment to use by the retailer to get some relief from high pool prices, particularly in the volume of lost load (VoLL) area, and

what we're probably talking most about here today, curtailment requested by the network for network support. I would say, curtailment in a factory, if you can get 10 megawatts in a network it's fast and furious, it's quick, and it doesn't cost - you know, it doesn't cost a lot where their processors are set up to do that.

The point that I'm making, though - and here's another sting for John - and that is, I think it needs more work, because it seems to me that there's two areas. As we've mentioned, the three categories need to come together more. For example, how do we get the carbon scheme talking to your scheme here, and also where are retailers in this? I think it's undeniable that retailers are in the mix - and I don't think there are many retailers here today. Retailers have a relationship with the embedded generator in terms of purchasing energy. But, more importantly, they would be seen as the - as having the relationship with the particular side, and there will be conflicting requirements in the use of curtailment for a retailer and a distribution company. I don't have any solutions, but I think it's an important thing to raise, and that was raised by Tom from SP.

MR NEIL WATT, CITIPOWER & POWERCOR: Just a question. Anne, you mentioned that the RIT-D was going to cover replacements, and that the whole purpose of the review was to look at the perceived failure of non-network sites.

MS PEARSON: That's one aspect of it.

MR WATT: Yes, one aspect. Bearing in mind you made a previous comment, or John did, about the asset management review is going to be a separate review, I'd just like your comment. Wouldn't replacements fit under the asset management aspect than a demand side management review? So, I'm thinking that's really inconsistent with looking at addressing the non-network side.

MR CORRIGAN: We will talk a bit more about the RIT-D in the following section. I think with regards to the planning report, we think there needs to be more disclosure on replacement projects and what is being spent. So that's all we ask them for in terms of the planning report. We recognise that asset management is a different issue, and that DNSPs carry out a lot of work to fulfil their asset management responsibilities. That's a separate issue. But with respect to replacement, we just ask them for more information disclosure on the type of projects, as currently is required for transmission.

MS PEARSON: The distribution annual planning report. The recommendation is that each DNSP would be required to publish a report by the 31st of December each year. The report would be certified by the CEO and a director or company secretary, and within two months of publishing the report DNSPs would conduct a public forum on its content. Now, our reasoning for making this recommendation includes that around the time frame which we think gives consideration to the time required for DBs to prepare forecast information, and also takes into account TNSPs planning reports, which are published on 30 June each year. We think that certification of the report by the CEO and a director or secretary would ensure that the report meets the necessary regulatory requirements, and accurately and accurately represents the policies of the business at the highest level. Conducting a public forum would increase the transparency and accessibility of the information contained in the report, and provide opportunities for distribution businesses to interact with stakeholders. This was a particular factor referred to by the MCE in its terms of reference.

We've sought comments on the publication date, and whether 31 December is appropriate or

not. If anyone has any views on that today? Are they happy with it, that date?

MS RACHEL LEAVER, ENERGEX: It's not so much the date. I think we're more concerned about the duplication of reporting obligations. I guess I'm interested to know what the AEMC sees the jurisdictional requirements falling away.

MS PEARSON: Well, we've assumed that jurisdictional reporting requirements would fall away.

MS LEAVER: I really don't see that happening. I'm a bit concerned that we'll have some duplication and increased costs to the business from having to report to - exactly the same reports, for the same purpose, for the same market.

MS PEARSON: I think our assumption was that the minimum jurisdictional requirements would fall away, there would be a national framework, and then if jurisdictions had additional matters that they wanted DBs to report on then they could request that through their jurisdictional instruments. But there would be the minimum reporting requirements, and that's an assumption that we've made, and we may be getting some feedback from the jurisdictions in relation to this draft report as well.

MS LEAVER: That would be good, because I can see it as an extra cost on the business.

MS PEARSON: Yes.

DR TAMBLYN: I think the point raised is a fair one. Our assumption is that they will fall away and we will be, in my mind, recommending that that duplication not occur, and that if the MCE accepts the national framework that we recommend, which they have called for, then a natural consequence is that those state obligations should fall away. Now, it will be a matter for the MCE and jurisdictions to deal with, but I think we can be clear on the point that you've raised.

MS ANH MAI, SPAUSNET: I was just curious as to your views as to who would be interested in attending these public forums. Although our reports are very interesting indeed, it could be more appropriate to have a public forum if requested. We'd be happy to do that. But if 15 DBs are publishing their annual reports at the same time, and you have 15 public forums to attend, you may not be able to attend them all.

MR CORRIGAN: I think it's a very good point. I think our reason for the public forum is that the planning reports are big documents and they're all quite technical, and there should be an opportunity for people to come and talk in some sort of public format. But it's a fair point that there may be costs.

MS PEARSON: And it would provide an opportunity for the DBs to explain perhaps more simply about their planning to interested people. It might even be consumers.

MS LEAVER: I agree with you, it should be requested. It shouldn't be made mandatory. If it's requested, we'll more than happily explain.

MS PEARSON: Okay.

MS LEAVER: But, once again, it's an added cost to the business. If no-one wants it out there,

we're putting it on and turning up, and no-one turns up, it's a waste of our time.

MS PEARSON: Thank you. Okay. The planning report content. The planning report, unlike the actual planning process would cover a more limited area, and would relate to a power system and direct control services. The report would include forecasting information and including capacity and load forecasts at a system, sub-transmission and zone sub-station level, and the identification of any overloaded primary distribution feeders. The system limitations that would be reported on are caused by a specified list of factors, and where such a limitation is identified the report would provide details on it, and in the report DNSPs would need to include a summary explanation of the planning methodologies adopted, including any assumptions that they have applied.

Now, in our report we've proposed a definition of system limitations, and for any system limitation identified a number of factors would need to be reported on in the planning report, including the location and timing of the system limitation, the month and the year, analysis of any potential load transfer capability between supply points that may decrease the impact of the system limited or defer the requirement for investment, impact on capacity at the transmission connection points, discussion of potential solutions, and where an estimated reduction in forecast load would defer a forecast system limitation for a period of 12 months, provide relevant details.

Other reporting requirements would be that there would be information on investments that have been assessed under the RIT-D and projects with a capital cost of \$2 million or greater that were urgent and unforeseen investments or refurbishments or replacements. There would also be other high level reporting on a description of the network, outcomes of the joint planning undertaken between TNSPs and DNSPs, and performance standards and compliance against those standards, and a summary of the asset management strategy employed.

Now, I'll just go through the general reasoning in relation to the reporting requirements. They were fairly detailed recommendations, and in our report we deal with each separately. But I just thought I'd run through generally what our thinking has been. We think that the level of detail proposed for their report recognises the nature and importance of each asset class. The report should provide sufficient information to allow non-network proponents to seek further information, and develop alternatives to address potential system limitations. This was referred to in the MCE terms of reference, which recognises that appropriate information transparency to allow network users to determine where best to connect, and to allow non-network proponents enough time to develop alternative solutions.

Reporting on system limitations includes particular emphasis on sub-transmission assets and zone substations to take into account the number of potential projects, and to identify projects that would be of interest to stakeholders. As forecasting information is a key input in identifying system limitations, providing forecast data increases transparency, and this information would also be of interest to regulators such as the AER.

The report would provide a summary of the investments identified - by providing a summary of investments would allow the outcomes of the planning process to be captured in an easily accessible format. As replacement projects may have an impact on the augmentation activities undertaken by DNSPs, we think they should be included where they're greater than \$2 million, and we think that the other high level reporting would support and provide context to the information on forecasts and system limitations.

Okay. So in our draft report we've sought comments on a couple of issues. One being around investments like smart metres, because we've proposed that reporting be limited to the distribution network and not IT and other areas. But as networks become smarter and more active, the line between those two assets could become blurred, and so we've asked the stakeholders to comment on how we might - how those sorts of investments might be reported on, and we've also asked for your feedback on the proposed definitions of sub-transmission assets and primary distribution feeders. So if anyone has any comments on those issues, or indeed any other issues around the content of the report, feel free to ask.

MR HARRY COLEBOURN, ENERGY NETWORKS ASSOCIATION (ENA): With regard to the coverage of asset management practices and reliability or systems performance, those are currently the subject of either jurisdictional requirements or, in some cases, AER requirements, and I think it's appropriate that this report should rather contain links to where those documents can be accessed, and up-to-date information obtained. The reporting dates all differ, and the consequence of not doing that is that the annual planning report will rapidly become out of date.

MS PEARSON: We'll take that on-board.

MR HUGO KLINGENBERG, ETSA UTILITIES: Well, you recommend that for the definition of distribution feeders, that we make that consistent with what the distributor will be using for the STPIS scheme, just as a matter of consistency.

MS PEARSON: That seems like a good idea. We'll consider that. Okay.

[Morning Tea Break]

MR CORRIGAN: Welcome back. What I'm just going to do now is to talk through the Regulatory Investment Test for Distribution, and also the Dispute Resolution process. I'm just going to do the same as Anne, provide some of our recommendations and give you a flavour of the reason why the commission reached its position. This issue is quite dense and quite detailed, and there's a lot more reason in our draft reports, and so I refer you to that. So I'm just going to talk for about 20 minutes on a summary of the RIT-D process and reasoning.

My talk will cover the purpose of the tests; some of the key design issues that we had to address; a summary of the recommendations; some examples that may make it a bit more easy to understand what the process is going to be; and provide a summary of our recommendations on the dispute resolution process. In developing the draft recommendations, we had a lot of discussions with stakeholders including a lot of work at the workshops on how to actually design this test. We did get a lot of good feedback from the workshops and other meetings, and I'd like to thank people for the comments and for your input, and you'll probably see that we've sort of moved a bit from the workshops to where we are now based on the feedback we received. So I just want to say thank you.

I'll move on to the regulatory investment test. Before we talk about the recommendations, it might be useful just to say what's the purpose and what we're trying to achieve by having this test. As we said, as Anne said, the MCE terms of reference give a very clear prescription. It says that there shall be a test, a project assessment and consistent process. The terms of reference also say that that test should be limited in scope. It should be only triggered when appropriate. So that's one of the key questions that we have to address; what should be the scope of projects. Also, the terms of reference say the assessment should be an economic

assessment, and we also need to actually work out what that means. Another key benefit and key purpose of the test is for transparency, and to ensure that there's proper opportunity for non-network proponents to raise ideas and options.

So it's very important that the test gives a neutral assessment of all the options, and provides transparency about how the DNSP goes about to make its planning decisions. So the purpose of the RIT-D of drives our recommendations.

Moving on to some design contingencies. These were the things that came out from the workshops and from the submissions, and the key points were how do we actually balance the costs of doing the test both in terms of the client's costs and their resources, and also in terms of the time taken, against the benefits to the marketplace of doing the test. We tried to get the right balance on that aspect. Another key point that came out for us is that distribution is different from transmission, both in terms of there being a higher volume of small projects, and also that there are a lot of variation in the type of distribution projects going on.

Another point that was made to us was that there's less potential for market benefits in distribution. A key point that came out was the current request for proposals process isn't working. It was said to us that you can't expect non-network proponents to propose feasible options within the current time frames, and based on the information that was provided to currently in the request for proposals. That's one of the reasons why we have proposed the Demand Side Engagement Strategy, so we have a more open relationship, a more open communication process where the non-network proponents can talk through what they can offer network businesses. But it was clear that stakeholders did not think the request for proposals was working today.

Cost thresholds can be too simplistic and don't relate to the potential for non-network options, and so I think the point about cost thresholds is that they need to achieve the right balance, between the costs and the benefits. What we are proposing, as you can see from our draft report, is to have a threshold at \$2 million. Some might say this is too low but we are actually providing a lot of discretion to the DNSPs in terms of how they go about the actual test. So they are able to adapt the assessment to the actual projects. We believe that's the right way of doing this. But, again, we're happy to discuss that today. So the point is that we shouldn't just focus on cost thresholds themselves. It is important to understand how the cost thresholds work together in terms of the flexibility within the process. As Anne said, you need all three components of the planning framework together, and how it all works together, and we try to get some consistency off the annual planning reports, the demand-side engagement strategy and the tests.

Finally, you have to look at the benefit of having a dispute resolution process, and that may allow more discretion given to the DNSPs, because there's this process at the end that could solve any potential issues. So they're just some of the issues that we've been thinking about for the last couple of months. As I say, we've sort of discussed this a lot in the workshops. But that gives you a flavour of our thinking, where we're coming from.

Moving on I will provide an overview of the design of the test before we go into the different components. Now, I think it's important to say that the purpose of the test is going to be to identify the most economic option, which maximises the economic benefits. So it's going to be a net economic benefit test, the same as in transmission. The key point is the that if there investment is to meet a deterministic reliability standard, you don't need to have a positive net present value, and you don't need to value the reliability benefits if you are subject to your

deterministic reliability standards.

The logic for that is that the body who set the deterministic reliability standards factor in the economic cost of meeting that reliability standard. So there's no need to do that in the project assessment process.

The scope is going to be that the test should be triggered by a need to invest in the network, and the most expensive option, which is economically and technically feasible meets the threshold, which is \$2 million or more. So, that determines the scope. Like the new test for transmission, classes of projects will be exempt from the test. This includes customer connections, urgent and unforeseen investments, and also replacement projects. In the workshop we put forward the option of including replacements. But as we moved to the Draft Report we decided against including replacements on the grounds that there was less potential for non-network options with respect to replacements, and also there's quite a lot of replacement projects going on, and requiring DNSPs to do a project assessment on replacements would require a lot of time and costs to distribution businesses. But as Anne said, we are proposing there should be more information disclosed on replacement projects in your APRs.

We raise the option in the draft report of whether primary distribution feeders should also be exempted from the test. Again, this is another way of striking the balance between the cost of doing the test and the time taken and the benefits. It was our thought that maybe primary distribution figures are more straightforward, and there's not a lot of benefit from having a complicated project assessment. But we're very keen for feedback on that.

MR COLEBOURN: I was concerned with the threshold applying to the most expensive investment option. I believe that's quite an illogical requirement. The most expensive option is, by definition, not the one that you're going to build, and it should in fact be the most likely option that the threshold applies to. The other aspect that I'd raise in connection with that is that there's always the option for a distributor of an underground solution. That raises the costs by somewhere between three and 10 times and, bingo, the \$2 million has now become a couple of hundred thousand dollars worth of overhead investment, or equivalent to it. I believe very firmly it should be the most likely investment option.

MR CORRIGAN: Yes. This issue was discussed quite a lot in the transmission test, and we were a bit confused by having the most likely option, because the purpose of the test is to identify what is the best option. So if you set the threshold based on what you think is the best option, it defeats the purpose of doing the test in the first place. So that's why we use the term "technically and economically feasible" to protect against the scenario that you raised. The idea of doing the test is that the distribution business says, "We have this problem, and we have some options that we think may solve the problem." But you start this process quite early on in your planning process, and that's why the threshold should be on the most expensive option which is technically and economically feasible. If it's going to be the most likely option, that means the distribution business is going to be a lot more work before it actually goes out to consults and actually makes an assessment - I mean, it's sort of doing a de facto assessment before it does the actual project assessment, if you see our point.

MR COLEBOURN: Yes, but the issue is that the process is subject to appeal if the process hasn't been followed, and in the case of undergrounding, any customer that feels that you should have gone underground can argue that you haven't picked the most expensive option.

MR CORRIGAN: So the scenario there is that the most likely option is less than two million. But on the underground option is a lot more than two million, and you're forced to do this project assessment based on that clause, and you are concerned about the costs and the time involved in doing that.

MR COLBOURNE: Yes, and the fact that it de facto lowers the threshold or exposes the DNSP to the risk of being challenged of not having followed the process.

MR CORRIGAN: Yes. I think there's a genuine point there. We can talk about compliance when we talk about the dispute resolution process later today. I can say that the transmission businesses have agreed to this use of this definition but we're happy to take submissions from the distribution businesses on this issue.

MS MAI: Eamonn, I was just wondering if the Commission has considered the approach to articulating the test that was raised in the workshop. At the moment, in the draft you've got it expressed as a negative, as in "the test does not apply to". But we had suggested that the test be expressed in a positive - so, the scope of the test and what it applies to - because at the moment it looks like support services like IT and technical support is encompassed in the scope of the test, when it really doesn't have any non-network alternatives, and I was wondering what the Commission's considerations were in that respect.

MR CORRIGAN: Yes, at the moment we're all doing a lot of work about taking our draft recommendations and converting them into draft National Electricity Rules (Rules). That is a difficult process, and our thinking is that the test should be provide exemptions for the same reasons as we've put forward for the test for transmission. But we want to make sure that that is legally drafted correctly, and as the process has gone forward - we would provide draft Rules to the MCE, and that draft Rules, and if the MCE agrees to that or amends it, that draft Rules are going to go through a process of consultation and a formal Rule-change process. So that means the distribution businesses would be given ample opportunity in that process to comment to make sure that it's legally drafted correctly.

MS MAI: Could you just clarify if it is your intention to have the test apply to support services, though? Just because we don't really see the benefit in consulting on alternatives to sort of IT and COMS.

MR CORRIGAN: Do you want to maybe just describe what you mean by "support"?

MS MAY: As in not actual network augmentations, but things like switchboards.

MR CORRIGAN: No, it isn't the intention to include those assets.

MS MAY: I think it is a bit ambiguous at the moment.

MS PEARSON: Through the drafting of the Rules we'll try and tighten up those provisions as best we can.

MR CORRIGAN: So what that means is that there's going to be three parts to the RIT-D.

MR JOHN RATTRAY, ETSA UTILITIES: If I could just ask one question about the previous slide, about customer connections. Where a new customer connection triggers a significant upgrade to the network, and is only partially paid by the customer, would you see an RIT-D

being required in that case?

MR CORRIGAN: It should be to the proportion that it's going to be recovered through the shared network component, if there's a direct control service. That proportion should be. If you can recover some of that cost through your direct control services.

MR RATTRAY: So, only if the whole job would be regarded as negotiated, you would exclude it?

MR CORRIGAN: Yes.

MR RATTRAY: Thanks.

MR CORRIGAN: So there's going to be three parts to the test. I might actually move on to the diagram that maybe explains this better. There's going to be three parts to the test. There's an initial Specification Threshold Test (STT), and this is the process and the steps where there's the most differences between the transmission test and the distribution test. You could argue that we are maybe over-engineering the whole process and making it too complicated, but we feel that giving this flexibility and discretion to the businesses works better, and will actually strike the right balance between costs and benefits. As opposed to alternative models where the process is more streamlined but there are more mandatory things that the distribution businesses have to do. So process may seem a bit complicated, but we believe that it is appropriate. It may take a bit of time to understand, but hopefully today I'll do my best to explain it.

The first part is the STT, and this is very similar to what currently is done in South Australia and in New South Wales. This is an initial assessment to determine whether there's a need to go out and do a formal consultation before the project assessment. That is triggered by two issues. First is whether there's going to be a potential for a non-network option to defer the network investment and, therefore, you maybe need to go out and test the market.

The second point is whether the proposed project or the options may adversely affect a consumer's quality of service, and if there is going to be a negative impact on the consumer it may be of benefit to go out and do a formal consultation before you do your project assessment. So if the project doesn't meet them two tests, it doesn't do the next stage, which is project specification report and consultation, it goes straight to the project assessment. And also if the investment is less than \$10 million, you don't have to do the draft project assessment, you can just go straight to the final project assessment which you can publish in the APRs. I'm going to provide more examples at the end that maybe explain that a bit better.

If options meet the STT, you are required to do a formal consultation, which we have called the Project Specification Reports and Consultation. And we have put forward in our draft report the option of having two options for consultation. The consultation process would be one month if the business has shown that it's previously engaged with non-network proponents and six months if not. We're sort of very keen to get feedback on two aspects of this. The first one is whether we got the trigger for the STT correct, and whether that trigger works, and whether it's easy to distinguish what projects will go straight to project assessment and what projects need to go into the formal consultation.

The second part, which has proven to be a bit tricky, is how should the business demonstrate its compliance with respect to the Demand Side Engagement strategy in order for it to qualify

for the fast-track consultation process. We believe there should be a fast-track consultation process, because if you've done this work beforehand and if you talked with the non-network proponents, six months adds a lot of time and wastes a lot of resources. But the question is, how can we make this work and make it practical, from a compliance point of view? So we're very keen to get feedback on them two aspects.

MR KLINGENBERG: ESCOSA, which is the South Australian regulator, came up with Guideline 12 about six years ago, which we've been following, and about three years ago that was reviewed. It came up with something similar, like the STT. I'd just like to know - we would recommend that a similar test or the same - similar criteria would be applied for the STT.

MR CORRIGAN: Yes. I think we've referred to the South Australian documents and the New South Wales licence requirements in designing our proposal.

MR KLINGENBERG: I don't think so.

MR CORRIGAN: You don't think so?

MR KLINGENBERG: No. We feel that the South Australian approach works at this stage, where if it does not meet the specification threshold then it goes to the project assessment, but there's no further consultation on that. That seems to be working. So we feel that there's an additional burden to comply with the rest of this consultation process.

MR CORRIGAN: We do say in our draft report that if the project costs less than \$10 million, we don't have to do the draft project assessment reports.

MR KLINGENBERG: Yes.

MR COLEBOURN: Eamonn, that process diagram there represents a gross simplification of what's actually proposed. I did go to the trouble of putting together a diagram that represents all of the steps of the consultation process, and had a lot of trouble fitting it onto a single page. I think that the number of options that are in there, and the monitoring of those options, and compliance with the various steps, is going to be a real problem.

MR CORRIGAN: I think that's very good feedback, and, as I said before, we've looked at other options where the process is a lot more streamlined, but we felt that that would capture a lot of projects and would actually add more costs. What we're trying to do is give a lot of flexibility, and allow the businesses to adapt the process to the actual type of investment. It makes it, I agree, a lot more difficult to actually write and understand, but we believe it's worthwhile. But we're keen to get comments back.

MS PEARSON: Could I just make a point about compliance generally. That's kind of a separate issue from the ideas that we've proposed in our draft report and the specification. What we're hoping will happen is, in the drafting of the Rules, we'll bear in mind the compliance issues, and to the best of our abilities make sure that the obligations that are included in any rules are clear and can be complied with. So the merits of the recommendation, and whether you think it's good or not is one issue. But the compliance issue, we accept and acknowledge and take on board, but we can't really address until we get to the Rule drafting stage.

MR CORRIGAN: Thank you. Are there any more questions?

DR TAMBLYN: Eamonn, could I just ask Mr Colebourn a point? So, have you got a suggestion - noting Eamonn's point - that some of the complexity was to try and get more flexibility and discretion as to how you engage with the process. It would be very helpful if, in your submission, you critically reviewed the process and came up with proposals that would address the concerns. We have thought about simplicity versus complexity and discretion, we've landed where we've landed. If your review can come up with a better suggestion, and identify areas where we're not achieving what we intend, I think that would be a very helpful contribution. This is a complicated process. We are trying to achieve an objective. But ENA's and DBs' views on this process would be most welcome, if you can put something into the process.

MR COLEBOURN: It is my intention that Energy Networks Association would come back with a suggestion as to how the process should be simplified. But that, of course, will be up to the members.

MR CORRIGAN: Thank you. Moving to the project assessment recommendations. So, this is covering how to identify the preferred option or the option that identifies the net economic benefits. The framework is quite similar to the test for transmission. It's going to be a single project assessment process that applies to all investments. DNSPs are required to consider all applicable market benefits and costs outlined in the Rules against a credible option. But this is the key point: the difference between transmission and distribution is that although DNSPs are required to quantify all costs that apply to each option, they have the discretion to decide whether they need to quantify any market benefits.

So unlike transmission where there's a mandatory requirement to quantify material market benefits, for distribution, DNSPs have the option to quantify market benefits where they consider it appropriate. And that is to reflect that there's limited market benefits in distribution, but also, it gives the distribution businesses the opportunity to do so. We believe that framework is consistent with the what we're trying to achieve where the distribution businesses are to find the most economic option.

We believe this is an improvement from the current test, where the distribution business do a least cost assessment. We got a lot of comments that that a least cost assessment prevents the businesses from including network losses in that assessment, and that didn't make a lot of sense from an engineering point. So this new test gives you the option to include your assessments of market benefits, where you think appropriate, but it isn't mandated, so it doesn't add any unnecessary costs.

Just moving on to some of the reasons for our draft recommendation. As I said before, the key point is that if the distribution businesses decide there's no market benefits that are applicable then the test becomes a least cost test. So it's very similar to what is done today, and as I said before, if there's deterministic reliability standards, there's no requirement to have a positive NVP. So we believe that this may not change a lot for the DNSPs, but we're actually giving them the opportunity to adapt the assessment to the actual project, and as we sort of go on to, that the discretion that we give to the DNSPs will be balanced by the dispute resolution process, and also via the consultation documents and consultation process.

So the project assessment is a key part to the test. It attempts to strike the right balance between the cost of doing the test and the benefits of doing it. So, we believe this is an

improvement on the current practice, but we're very keen for feedback and comments on that.

It might be useful to talk through some examples, because we've agreed already that the actual process is very complicated, and some examples might shed more light on what we're trying to do. The first example is the situation where the investment has no non-network potential, no negative impact on the end-users' quality of service, and the most expensive feasible option equals five million. So, in this example, the project doesn't pass the STT, which means it goes straight to the project assessment. After they do the project assessment, because the project costs less than \$10 million, the business can publish its project assessment report in its APR. So I think this might be the same as your point in South Australia.

MR RATTRAY: The difference is, the impact on end-user's quality of service.

MR CORRIGAN: Yes.

MR RATTRAY: I'm puzzled by the expression "end-user's quality of service", because if the end-user is not going to see any potential difference in us doing the work, I'm puzzled why we're doing the work. Can you give an example of the type of project that you see as not impacting on the end-users' quality of service?

MR CORRIGAN: What we propose is that only if there's a negative impact on the end-user's quality of service.

MR RATTRAY: As an outcome of doing the work?

MR CORRIGAN: As an outcome of doing the work, yes.

MR RATTRAY: Rather than as a question of the constraint itself?

MR CORRIGAN: Yes.

MR RATTRAY: Thank you.

MR CORRIGAN: We definitely believe the potential for non-network options should be a trigger to doing the project specification consultation process. The second trigger about the impact on consumers is where we are happy to discuss more and get your comments back on that.

The second example is a bit more complicated than the first example. This is where the proposed investment does have a potential for non-network options, and it costs more than \$30 million, and the preferred option is equal to 30 million. In this example, the DNSPs have not taken part in non-network consultation.

So on to the STT. It passes that test, and therefore is required to go do a project assessment. Because it hasn't done any non-network consultation beforehand, it's required to do a six-month consultation period. Although the six months may seem to be too long, we were trying to balance between the non-network proponents' argument that two months or three months does not give them sufficient time to do their work. So that's where the six months comes from, but this is another example where we have to strike the right balance between cost and benefits.

So the DNSP does the project assessment, and it's required to publish a draft project assessment report, which is the same as the current requirements today. And then there's a consultation on you're the draft project assessment report. Following your submissions to that you move to issue a final project assessment report, and because it's more than \$10 million you have to do a separate report. There's no option to refer to the project in the APRs. So this is the other extreme, but it gives you some idea of how the process may work in practice.

I might just conclude by saying that the establishing guidelines for the RIT-D it's going to be the same as transmission, where the same principles will apply. The AER will be required to publish the tests and also publish the supporting guidelines, and the guidelines will be useful and will be quite important, because that will provide a lot of the information about the methodology for assessments, and how you conducted the process. We believe that the documents required will have some overlap between the two tests and could potentially be merged. That's a possibility that we maybe explore as we move forwards. And because they need to be given time to develop documents we are likely to recommend a 12-month transition period. So, if the Rule is made, the current test will still apply for 12 months after the commencement of the new Rule to give both the AER time to develop supporting documents, and also give the businesses time to get used to the new tests or to change their processes and systems.

I might just briefly conclude on Dispute Resolution. Basically, this is the same design as has been used for the transmission test. It's the compliance (indistinct) assessment. So the question that would be asked by the AER is, whether the DNSP has complied with the Rules, not on whether the preferred option is the best option. So the AER does not have the ability to change the answer to the test. We think that's important, because - and I think the AER would agree - the AER should not, de facto, become the planner if a dispute has arisen. No, the expertise to plan lies with the distribution businesses. Under the Dispute Resolution process, the AER can ask the businesses to redo this assessment if it identifies an area of non-compliance.

It's important - the key difference between this and the transmission test is that we are proposing that the dispute resolution applies to all projects that go through the project assessment, the RIT-D. In transmission there is a higher threshold of \$10 million that is there to limit the potential for disputes. But we feel that, given the design of the RIT-D that the option to raise disputes should be applied to all projects that go through the RIT-D. But, again, we're happy to get feedback on that question.

MS LEAVER: Sorry, I just want to ask. When you say "all stages are subject to dispute", will that include whether we've constructively engaged, as part of the Demand Side Engagement Strategy? People can raise disputes about that?

MR CORRIGAN: If you use that to fast track the consultation. But, as I said before, we need to be very careful about how we actually draft what is "constructively engaged".

MS LEAVER: I can see that being disputed if it's not clearly defined.

MR CORRIGAN: And, as Anne said, compliance is going to be a key part of this. We want to give the AER the opportunity to reject invalid or misconceived disputes, and that gives some protection against the possibility that market participants may try to game the process or unnecessarily delay investments. I've provided the reasons of where we're coming from on this. As I said before, it's very similar to the transmission test. We believe the opportunity to

raise disputes provides the right balance to the discretion and the flexibility that we give in the processes, and the process has defined time frames, and that provides certainty, and should not unduly delay investments. So it should reflect good regulatory practice. Does anyone have any other questions on the dispute resolution?

MS LEAVER: I'm sorry. You haven't mentioned who can raise disputes. I'm assuming it's in the report, interested parties.

MR CORRIGAN: Yes.

MS LEAVER: At the moment it's just registered participants.

MR CORRIGAN: Yes.

MS LEAVER: What is the definition going to be for interested parties?

MR CORRIGAN: Interested parties. It's something that our lawyers are working on at the moment. But it should be wider than the registered participants. There may be some benefit on linking the register of interested parties that we require on the Demand Side Engagement Strategy.

MS LEAVER: Obviously, we just don't want every mum and dad out there disputing because something is going overhead rather than undergrounding.

MR CORRIGAN: Yes.

MS LEAVER: I thought the objective of this was to try and incorporate more non-network proponents.

MR CORRIGAN: Yes.

MS LEAVER: So, obviously, I would have liked to have seen that to be included; non-network proponents could dispute, rather than just every mum and dad.

MR CORRIGAN: That's what we're trying to capture, and that's what our legal people are working on at the moment.

MS MAI: Rachael. Under the transmission dispute resolution provisions, it excludes people such as interested land owners and people who might be interested in the environmental impact statement process. So things that can go through, I expect that would be reflected in the RIT-D process, not to anticipate your decision.

MR CORRIGAN: Thank you for providing a better answer than what I could provide. Does anyone want to add anything or make any general comments on the regulatory investment test for distribution?

MR OWENS: I just wanted to clarify. So you'd have to go through both, wouldn't you? If the network was building a line which required environmental approval, and that required approval of the environment court, and the environment court would have to give it - the network, that would have to take that up with the proponent of that piece of work.

MS PEARSON: Yes, all the provisions operate independently. If you've got to get planning approvals and environmental approvals then the appropriate processes will need to be followed, but they would be outside the provisions of the Rules.

MR CORRIGAN: As currently happens today. Okay. Anne will now talk about the joint planning provisions.

MS PEARSON: We've just a couple of slides about joint planning, and what we've recommended is that TNSPs and DNSPs in the same jurisdiction would be required to use their best endeavours to work together to achieve efficient planning outcomes and investments. They would be identifying any system limitations that would affect both the transmission and distribution networks, or would require action by both parties, and the parties would jointly determine plans and carry out and adopt the RIT-T process in those circumstances.

Our reasoning for taking this approach is that it reflects current provisions for joint planning that appear to be working reasonably effectively, and it's a good idea that parties meet regularly to work towards identifying the most economic solution. Adopting one regulatory test in the circumstances is simple and clear, and we think the RIT-T should be the test, because it requires a broader range of market benefits to be considered, and then if there are no market benefits then the least cost assessment would be carried out. The one issue on this that we raised in our draft report was the Victorian situation, and whether any additional requirements are required for Victoria. I was just wondering if any stakeholders have any views on that that they might want to share with us today?

As you are aware, in Victoria the arrangements are a little bit different. So distributors are responsible for planning and directing the augmentation of transmission connection assets. So are there any Victorian DBs or others who would like to comment on that issue?

MR WATT: I think the biggest issue, really, we face is just a clarification of the issue of the prescribed versus negotiated services, which is probably the biggest issue in Victoria. So, in our submissions, we'll be putting up some proposals to address that. But I think that's the biggest issue that we face, especially when we're involving shared network augmentations or shared network assets.

MS PEARSON: Okay. Any other questions or comments?

DR TAMBLYN: Could I just go to that issue. I had the impression, just looking at the submissions that we received, that it was a little more than clarification. I guess all we would like to do is to understand whether what we're proposing generally will assist and work in Victoria, or whether there are particular regulatory issues that would be in conflict with what we are proposing, which would need to be addressed or recommendations made to deal with it. I had the impression that, as between VENCORP's approach and application of the planning arrangements, the DB's understanding of their responsibilities, and perhaps even SP AusNet's concern to make sure this was all clear. Is there a substantive issue to be understood and resolved, or is it a bit of definitional clarification? I think it's important that we do understand if there is a substantive issue.

MR HALLAM: Look, I think there's a mixture of issues. There are some issues that may most appropriately be addressed through jurisdictional derogations, possibly outside this process. But I think the issue Neil was referring to is an issue, I think, that's appropriately addressed at

the national level, and it is - it's not a minor clarification - it's actually causing great gridlock in Victoria at the moment. The lack of clarity over the definitions of negotiated and prescribed services, and we think these issues may not arise in other jurisdictions. But they could, potentially, in the future, especially if other state jurisdictions at some point in the future have different ownership of different parts of the supply chain. So, yes, it is a definitional issue, but I wouldn't call it a minor one.

DR TAMBLYN: Well, could I just ask then that - my reading of the submissions seem to give me the impression that there was a little bit of diplomatic expression, to put it that way, and we can understand it and address it where it's appropriate in the work that we are doing, and all I'm saying is, we wouldn't want to miss something that does need to be dealt with in our piece of work. So, in your submissions, I'd invite you to be as clear as you feel you can be on what we need to do.

MR HALLAM: I think we're going to be very crystal clear.

DR TAMBLYN: Good. Excellent.

MR LOUIS TIRPCOU, AEMO: I suppose we do see that the framework that is being proposed can work in Victoria. But I suppose there are some of those issues around in the National Electricity Law (NEL). AEMO is required to undertake cost benefit probabilistic planning, and that's actually a legal requirement in the NEL, not in the Rules. So we do think that it can work. But I see Tom's point and Neil's point that there may be some areas around prescribed negotiated services. But I'm not sure whether this is the forum to actually address some of those issues.

MR WATT: Certainly in response to Louis's question, we obviously have a difference of opinion, because we don't see that is the situation for the augmentations we're considering there that the requirement that AEMO do a cost benefit analysis does actually apply. So we obviously have a fundamental difference, and that's what we'd be trying to clarify in our submission. So, the issue is that if we are required to carry out an augmentation to meet a reliability standard, we have an obligation to meet that standard, and the issue is that we, in discussion with AEMO, to find that we are getting pushed out of that reliability standard obligation and pushed into another type of test. Now, it doesn't make sense to do two types of tests on the one project.

DR TAMBLYN: Well, look, I think this discussion has been helpful, and it does seem to me, if your submissions could be as clear as possible, and I could see some value in the AEMC sitting down with the three parties in Victoria, simply so - to pick up Lewis' point - that we understand where this particular project could sensibly address and contribute to the part of the problem that is relevant, and if there are other forums or other processes to deal with other aspects, so that we don't miss something or confuse something that we should or could help in addressing. So perhaps, first of all, your submissions and then the idea of perhaps just a working meeting to just work it through. I think then we could at least be helpful on this issue, and we certainly don't want to be a hindrance on the issue and the way it's taken forward. So that's been very helpful. So thanks for that.

MS PEARSON: Okay. Are there any other questions on joint planning or, indeed, anything else, any other matters that we've discussed today, before John makes some concluding remarks? No?

DR TAMBLYN: I want to thank everybody for coming along, and the way you've contributed. It's been very helpful to us to hear those views. I know this is not the most lively issue to deal with, but it is an important issue, and we do need to have your feedback. So thanks for your patience and your contributions, we appreciate it. Just to reiterate, submissions close next Thursday. So we're looking forward to receiving those, and we'll consider what we've heard today, and then look very carefully at your submissions, and take those on-board to the extent that we think we can. Our final report, as we note here, will be on 30 September to the MCE, and it will include draft Rules. Of course, as Anne and others have said, then the MCE has to consider the report, whether it accepts it, accepts it in part or doesn't accept it. Likely then Rules will come back to us for a further process after the MCE's consideration. So this has got a distance to run and, as Eamonn said, where there are issues that you are not fully satisfied with in our final report there are other processes where they can be raised as well. So thanks again for your time today, it's been helpful, and we'll get back to work and prepare our final report. Thank you.

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