

26 May 2022

Edward Orum  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2000

Locked Bag 14051  
Melbourne City Mail Centre  
Victoria 8001 Australia  
T: 1300 360 795  
[www.ausnetservices.com.au](http://www.ausnetservices.com.au)

## **ERC0323 Improving consultation procedures in the rules**

Dear Mr. Orum

AusNet appreciates the opportunity to respond to the Australian Energy Market Commission (AEMC) Draft Determination on Improving Consultation procedures in the Rules. AusNet is a major energy network business that owns and operates regulated electricity transmission and electricity and gas distribution assets located in Victoria. We have actively participated in most network-related regulatory consultation processes run by the AEMC, AER and AEMO over the last two decades for both electricity and gas.

AusNet supports the intent of the draft rules, which is to streamline the consultation procedures and improve efficiency. The AEMC's approach will provide predictability for stakeholders and establishes reasonable timeframes for consulting parties to reflect on stakeholder views whilst also supporting decisions to be made in a timely manner to achieve market outcomes. We believe the draft rules balance this effectively.

We welcome the certainty around defining deadlines in the draft rules, while providing flexibility for the consulting party to extend these deadlines is necessary if material changes or significant issues arise during the process that had not been foreseen at the outset. In our experience this has been necessarily required in many historical consultation processes due to the complexity of the issues under consideration.

While we agree in principle with the rules outlining a test under which a change can qualify for the expedited process, the test adopted will need to be sufficiently objective for consulting parties to clearly determine which procedure to adopt without requiring excessive justification or resources to evaluate. Although we understand the consulting parties should have some flexibility and discretion, we caution the consulting party against adopting the expedited process if it is not objectively clear it passes the test – that is, a conservative approach should be taken to applying the expedited process.

The test proposed is that the changes are 'unlikely to have significant impact on the NEM', which covers important considerations such as the magnitude of likely costs from the rule change. There should also be flexibility to take into account the additional factors raised in the consultation paper, which may have a significant impact on the NEM – such as urgency, the extent of previous consultation undertaken on the topic and impact on individual participants in the NEM.

The consulting party should only be able to refuse a request for a meeting with stakeholders where they indicate with sufficient justification why a meeting would not be required for effective consultation. It has been our experience that direct meetings are particularly effective aspects of consultation processes allowing shared understanding to be built and informal testing of ideas. If the consulting party determines it is not 'reasonably practical to hold the meeting', they should still be required to respond to reasonable stakeholder queries (that is, unless they are frivolous or vexatious) prior to the submission deadline through other methods which deepen stakeholder understanding of issues. This will improve and better target submissions produced, and lead to a more effective consultation.

We support the proposed draft rule changes to the NGR to remove the extended procedure and limit the consultant processes required as these should offer adequate flexibility and the standard procedure retains the need for two rounds of consultation. We are pleased that the rules are not proposed to be amended further to align with the proposed changes to NGL as there has been no clear need for substantial changes to gas consultation procedures.

If you have any questions regarding this submission, please contact Eliza Cochrane by email on [eliza.cochrane@ausnetservices.com.au](mailto:eliza.cochrane@ausnetservices.com.au).

Sincerely,

A handwritten signature in black ink that reads "C. Eddy". The signature is written in a cursive style with a horizontal line underneath the name.

Charlotte Eddy  
GM Regulatory Strategy and Policy  
**AusNet Services**