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Our Ref: DG584

30 JUN 2008

Mr Ian Woodward  
Commissioner and Reliability Panel Chair  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Dear Mr Woodward

I am writing in relation to the Australian Energy Market Commission (AEMC) Reliability Panel's Review (draft) Report, *Towards a Nationally Consistent Framework for Transmission Reliability Standards*, published on 24 April 2008.

The Queensland Government supports the AEMC Reliability Panel's timely review of the jurisdictional transmission reliability standards. The review, which I note focuses on design and planning of transmission networks as opposed to operational matters, highlights key issues around varying jurisdictional reliability standards and discusses whether a more nationally consistent approach is warranted. I note Chapter Five of the National Electricity Rules (NER) provides a consistent benchmark for reliability and security standards in operational aspects of transmission networks across National Electricity Market jurisdictions.

The Queensland Government sets high-level security and reliability standards for both distribution and transmission network businesses. As you may be aware, in 2004 the Queensland Government conducted a major review of network security and reliability standards under the *Electricity Distribution and Service Delivery Review* (EDSD). Although the EDSD review was focused on distribution networks, the review made recommendations in relation to service and reliability levels for high voltage distribution and sub-transmission power lines which are interconnected to the transmission networks.

Any proposed national transmission framework must be compatible with distribution and sub-transmission network reliability standards, which will continue to be set by individual jurisdictions. Your report indicates other stakeholders have raised similar concerns and I urge AEMC to give careful consideration to this aspect.

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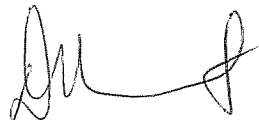
I note the Reliability Panel's proposed option would see reliability standards for transmission planning imposed nationally through NER, albeit with the level of standards to be set by the jurisdiction. I agree that jurisdictional decision making is critical to address local conditions, including the interaction with distribution network standards, social and safety requirements. I also support continuing jurisdictional involvement in any ongoing reviews of a national reliability framework.

Finally, it is important that any proposal to dispense with jurisdictional arrangements in favour of national reliability standards for planning ensures minimum cost/resource implications to transmission network service providers. This is particularly relevant given the Reliability Panel's Report discusses a number of options with potential to run to significant costs, such as involvement of an independent body and establishment of a national information database.

I look forward to considering the Reliability Panel's final report.

Should you have any further enquiries, please contact Ms Kate Ryan, Acting Senior Director, National Energy Market Reform on telephone 3224 8296.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dan Hunt', with a stylized flourish at the end.

**DAN HUNT**  
**Director-General**