



Victorian Energy Networks Corporation

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Dr John Tamblyn
Chairman
Australian Energy Markets Commission
Level 16, 1 Margaret Street
Sydney NSW 2000
Submission: submissions@aemc.gov.au

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Dear John

Submission on Rule Changes Proposed by Stanwell Corporation

VENCorp welcomes the opportunity to respond to the applications and subsequent submissions made by Stanwell Corporation to the AEMC. This application proposes a number of changes to the National Electricity Rules (the Rules) which, in summary, are that the Transmission Network Service Providers (TNSPs) should:

1. Undertake the Regulatory Test for Network Reconfiguration; and
2. Pay compensation to affected market participants as a result of changes to the Network assets or configuration.

VENCorp provides the following comments in response to Stanwell's proposed amendments:

Undertaking the Regulatory Test and Publishing Information for Network Reconfiguration

Stanwell's proposed definition of a network reconfiguration covers permanently rerouting the network path or modifying the technical capabilities or usability of the network. VENCorp believes that modification of the technical capabilities of a network is likely to enhance the network, which by definition is a network augmentation and the principles for this are already covered within the Rules.

In regard to the proposed clause 5.5.6C requiring reconfiguration works (including rerouting of network paths) being published in Annual Planning Reports prior to works being undertaken, VENCorp agrees with the principle of the proposal, but has concerns about the implementation of this Rule change.

VENCorp is concerned about the potential delays to a project associated with the requirement to publish the information in an Annual Planning Report prior to the works being undertaken. This requirement could lead to unnecessary delays in relation to works being undertaken for third parties, such as network extensions for connecting parties (eg generators) or relocation works for road corporations.

VENCorp suggests that notification of reconfiguration could also be made by publishing a notice to stakeholders, similar to the process used for funded augmentations, or through publication in the Annual Planning Report, whichever is the most practical process, given the available time.

Paying Compensation to affected Market Participants

Stanwell has stated that 'individual generators will have to bear significant costs as a result of network replacement or reconfiguration' and that TNSPs should fund this payment through a 'positive pass through mechanism'.¹

Clause 5.5 of the Rules already provides for access to be negotiated between TNSPs and generators. If generators paid for commercial access, then matters of compensation could be included in the contractual arrangements.

VENCorp supports the concept of commercial access, however, as noted in previous submissions to the AEMC, VENCORP believes that the Rules in relation to negotiating commercial access are unclear and requires further development.²

Should you have any questions please do not hesitate to contact Mark Riley on ☎ (03) 8664 6602.

Yours sincerely



Matt Zema
Chief Executive Officer

¹ Stanwell letter to AEMC, 2 June, p 6.

² VENCORP, Scoping Paper – Review of Electricity Transmission Revenue and Pricing Rules, 19 August 2005;