

21 January 2015

John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Pierce

re: Draft Rule Determination - early Application of service target performance incentive scheme (STPIS) components to transmission businesses

Thank you for the opportunity to provide detailed comment on the draft Rule determination on the early application of components of the Service Target Performance Incentive Scheme (STPIS) to Transmission Network Service Providers (TNSPs) issued by the Commission on 6 November 2014.

As the proponent of this Rule change proposal, ElectraNet supports the draft determination to approve the proposed Rule, and offers the following specific comments on the drafting of the Rule for consideration by the Commission.

- Clause 11.77.3(b)(1) requires that a proposed Network Capability Incentive Parameter Action Plan (NCIPAP) must be submitted at least 60 business days prior to the proposed start date (consistent with the original drafting). Given the passage of time, this now leaves a relatively narrow window of only a few weeks from late February 2015 (when a final Rule if approved could be in effect) to the start of April 2015 (which is 60 business days prior to our intended start date of 1 July 2015) for lodgement of the proposal. Given the requirement for the AER to consult on the NCIPAP for at least 20 business days, this leaves up to 40 business days for acceptance of the application, review of submissions and publication of a final decision. ElectraNet would suggest the possibility of shortening this overall timeframe be considered (e.g. 50 business days) to ensure adequate time to lodge the proposal (which is already in the public domain now in draft form). For comparison, it is noted that a decision on a Contingent Project application must be made by the AER within 40 business days of receipt (subject to stop-the-clock-provisions).
- Clause 11.77.3(l) requires the AER to publish its final decision at least 1 business day before the start date and no later than 20 business days before the proposed start date. To avoid confusion, this may be amended to better read no earlier than 20 business days

before the proposed start date. More broadly, however, the reason for this 20-day limitation is not entirely clear, and might be reconsidered.

- Clause 11.77.3(m) validates actions taken prior to the Rule taking effect, but only in respect of paragraphs (c), (d), (e), (f) and (h) of the Rule which cover AEMO consultation, AER publication and consultation on the proposal, and the making of a final decision by the AER. For completeness, this clause should also cover paragraph (b) concerning submission of a proposal to the AER. At a minimum, it is essential that the clause retains its cross reference to paragraph (c) concerning the pre-lodgement engagement with AEMO.

ElectraNet trusts these suggested improvements assist in finalising the Rule in line with its intended operation. Please feel free to contact me on (08) 8404 7324 should you wish to discuss any aspect of this submission.

Yours sincerely



Simon Appleby
Senior Manager, Regulation and Land Development