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The Australian Energy Market Commission  
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**Re: Submission to the Review of Energy Market Frameworks in light of Climate Change Policies**

Pacific Hydro is pleased to provide the following submission to the AEMC on the *Review of Energy Market Frameworks in light of Climate Change Policies – Second Interim Report*, and welcomes the Commission's continuing focus on provision of infrastructure to unlock Australia's vast clean energy resources.

Access to transmission infrastructure will be a key barrier for clean energy development in Australia in the short to medium term. Mechanisms to ensure timely provision of infrastructure will need to address both the regulations that govern construction and connection are in place, but also that the appropriate funding streams are identified to ensure investment which spreads the cost and risk of new infrastructure across all energy market participants.

Pacific Hydro believes that only a truly national approach to development of new transmission infrastructure will overcome the current paucity of investment by governments and private industry alike. Only a national approach will be capable of identifying appropriately strategic investments in the national public benefit, without placing undue cost on consumers in any one jurisdiction.

We therefore urge the AEMC to continue to develop their work on Network Extensions for Remote Generation in the final report later this year, and would welcome the opportunity to continue to work with the AEMC in the preparation of this report.

Yours sincerely



Lane Crockett  
General Manager, Australia/Pacific

ENCLOSURE

# *AEMC Review of Energy Market Frameworks in light of Climate Change Policies – 2<sup>nd</sup> Interim Report*

*Submission from Pacific Hydro Pty Ltd*

*3 August 2009*

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## Executive Summary

The Renewable Energy Target (RET) and the Carbon Pollution Reduction Scheme (CPRS) are the key policy drivers for decarbonisation of Australia's energy supply. With their imminent legislation, access to transmission infrastructure will become a key barrier to clean energy development in the medium to longer term. This is currently true for renewable energy but similar issues will arise as natural gas generation continues to play an increasing role.

Therefore, the ability of the renewable energy industry to deliver generation capacity to meet the 20% RET by 2020, and the success of other technologies such as natural gas generation, will be in part contingent on access to transmission infrastructure, as was historically available to generation on the basis of the "public good" such infrastructure provides.

It is likely that a combination of private and government capital will be required to make the necessary investment in energy infrastructure over the coming years.

Pacific Hydro therefore supports the AEMC's focus on providing Network Extension for Remote Generation (NERG) zones to unlock Australia's vast clean energy resources.

A comprehensive national response needs to ensure funding solutions that appropriately spread both the risk and the cost of investment across all participants in the energy network. The cost and risk distribution should be allocated in a way which is economically efficient but commensurate with the benefits provided by the investment. As many of the necessary investments will be undertaken in the public good, Pacific Hydro believes it is appropriate that all consumers should carry the bulk of the risk, with investments underpinned by Government as has traditionally been the case.

Regulatory changes to provide locational signals for generation investment and retirement recommended by this Review should not act to counter the investment incentives that will be created through the NERG mechanism, as this has the potential to limit Australia's ability to deliver key climate policies including the RET and the CPRS. With this in mind, Pacific Hydro does not support the introduction of G-TUOS or Congestion Pricing Mechanisms as they are biased against energy sources which are located outside existing energy networks.

Pacific Hydro does however strongly advocate for inter-regional transmission charging as an important step towards a truly national energy system and supports its introduction by 1 July 2011.

We encourage the AEMC to continue with this important agenda and look forward to continuing to work with the Commission towards the final report.

## Introduction

Pacific Hydro welcomes the opportunity to continue to work with the AEMC in the development of the Review of Energy Market Frameworks in light of Climate Change Policies (the Review). We believe that this Review is vital in providing solutions to what will be the key barriers to investment in clean energy technology in Australia in the coming decade.

The Renewable Energy Target (RET) and the Carbon Pollution Reduction Scheme (CPRS) are the key policy drivers for decarbonisation of Australia's energy supply. With their imminent legislation, access to transmission infrastructure will become a key barrier to clean energy development in the medium to longer term. This is currently true for renewable energy but similar issues will arise as natural gas generation continues to play an increasing role.

Therefore, the ability of the renewable energy industry to deliver generation capacity to meet the 20% RET by 2020, and the success of other technologies such as natural gas generation, will be in part contingent on access to a range of transmission infrastructure as was historically available to generation on the basis of the "public good" such generation provides.

Pacific Hydro believes that only a truly national approach to development of new transmission infrastructure will overcome the current paucity of investment by governments and private industry alike. Only a national approach will be capable of identifying appropriately strategic investments in the national public benefit, without placing undue cost on consumers in any one National Electricity Market (NEM) jurisdiction.

In addition, a national solution to investment in infrastructure will provide benefits to customers across all jurisdictions in terms of increased energy reliability and security, and decreased carbon emissions through facilitating greater entry of low carbon supplies into the energy market.

It is likely that a combination of private and government capital will be required to make the necessary investment in energy infrastructure over the coming years.

However the significant tightening of capital markets due to the current global financial crisis is likely to have a short to medium term effect on the level of private equity and debt available while government may also be constrained in the level of additional debt it is willing to take on over and above that which is already in place.

It is therefore both a capital scarcity and political risk issue that needs to be addressed in the funding of new infrastructure projects. In order to overcome these issues, government must focus on deploying new ways of both raising capital and creating the long-term regulatory environment in which the private sector will be happy to co-invest.

Pacific Hydro has not attempted to address all issues raised in the Second Interim Report in our responses below, but rather has focused on those we believe have the most material significance for continued investment in low carbon energy technologies in the NEM.

## Issue 2: Connecting Remote Generation

### 2a. Will the recommended model adequately address the deficiencies in the existing framework?

We believe the proposed arrangements provide a positive step towards an adequate framework for the allocation of risk in the development of remote generation connections. However, in order to facilitate the expected change in generation technologies and location stemming from the RET and CPRS we consider that:

1. investment in nation building transmission infrastructure should involve a broader funding base than that proposed;
2. competition in developing network extensions is critical to ensure costs are efficient; and
3. AEMO and the AER have an important strategic and review role in this process.

In consideration of the model work completed we have structured our response to the above question on the adequacy of the proposed model along the following lines:

- Initial Planning & Sizing
- AEMO Review of Proposals
- Connection Enquires by Generators
- Standard Offer to Generator Developers
- Acceptance by Generator Developers
- Funding & Risk Allocation.

### Initial Planning & Sizing

Pacific Hydro agrees that initial strategic planning of candidate Network Extension for Remote Generation (NERG) zones should be completed by the Australian Energy Market Operator (AEMO) under their national planning function. A number of potential NERG zones should be identified which would then be assessed and short listed for transmission augmentation and sizing by the jurisdictional transmission network service providers (TNSPs). This process will result in competitive tensions between TNSPs to develop energy projects in their respective States. We consider rival transmission developers (RTD) should also be given the opportunity to participate in this process to ensure transmission augmentation is appropriately identified and competitively priced.

This process should result in the publication of an “Energy Industry Road Map” that would attract national and international transmission and generation developers and guide the transformation of the Australian energy network over the next 20 years and beyond as we move to a low carbon energy sector.

This Road Map should:

1. Describe a list of priority energy infrastructure projects with timelines for delivery;
2. Ensure that appropriate planning processes are in place to facilitate development of this critical infrastructure; and
3. Confirm the regulations are in place to support the Government and private capital investment in this nation building infrastructure.

As the timeline of the connection process is the critical path for generation development, we consider this process should be managed by AEMO along timeframes shorter than the TNSPs' Annual Planning Reports (eg. 2-3 months), allowing more timely delivery of this important infrastructure.

## AEMO Review of Proposals

AEMO should ensure that TNSP or RTD proposals for any given NERG are suitably sized for the identified resource and proposals are standardised to ensure comparability, thereby allowing more rapid assessment by generation developers. A key function of AEMO's review of proposals should also be that it consider the deep augmentation required to ensure that new generation delivered into the market by generators connecting on new lines can be delivered to the customer loads. This may require network upgrades to existing infrastructure and interconnectors.

Pacific Hydro anticipates that a number of proposals would be simultaneously developed to ensure vigorous competition and minimise the risk that a single project development could cause an unnecessary bottleneck in this process.

## Connection Enquires by Generators

Once suitable NERG proposals have been identified, generation developers should be given the opportunity to indicate their commitment to utilising the network for remote generation. This should be managed on an expression of interest basis and detailed planning and pricing should only occur once the development interest is known.

## Standard Offer to Generator Developers

In accordance with the proposed model, TNSPs or RTDs should produce a detailed Standard Offer to generators for capacity in the proposed NERG, including cost per MW, transmission sizing, performance requirements, construction program and energy at risk assessments based on augmentation and demand forecasts. The Standard Offer should be reviewed by AEMO and endorsed by the AER.

The AER should also ensure that the higher transmission charges faced by customers are equitable across NEM jurisdictions and provide a mechanism for the quantification of strategic national benefits, expected future load opportunities and the contribution of national funding. Modelling used should be applied consistently across all NERG proposals. For remote generation clusters it may be appropriate, due to economies of scale, to consider shared reactive plant. These options should also be considered by the TNSP or RTD in their initial proposals.

## Acceptance by Generator Developers

The 30 day review period of the Standard Offer is considered appropriate for generator developers given that the minimum requirements of relevant services, terms and conditions will be provided. However we consider that the AEMO and AER reviews should endorse the Standard Offer prior to its release to generator developers. This will ensure the Standard Offer is in accordance with the automatic technical standards of the National Electricity Rules and does not put inequitable pressures on the customers of the TNSP.

In addition, Pacific Hydro considers that timing commitments are also required to be in place to ensure that no developer holds up the generation development. If generators are not prepared to advance they should be required to relinquish their rights to the capacity.

Furthermore, TNSPs or RTDs should also incur penalties if there are delays to the construction program.

## Funding & Risk Allocation

Funding for new transmission infrastructure needs to be provided in a manner which shares the risk and cost across all participants in the network, including consumers, developers, service providers and the government. A funding model that relies solely on jurisdictional customers to underwrite the stranded asset risk is not equitable. However jurisdictional customers will receive benefits associated with increased generation and improvements to augmentation, such as lower wholesale prices, and should pay accordingly.

However neither is it equitable to allocate all augmentation costs to connecting generators. Remote generators required to pay for shallow infrastructure costs are disadvantaged as compared to incumbent generators who enjoy the benefits of transmission infrastructure that has been centrally planned and funded. We believe generators should pay for connection arrangements to gain access to a central transmission backbone once it has been constructed into a NERG.

Transmission elements that are shared by both generators and customers should be funded by customers. TNSPs are better suited to carry the funding burden of the additional transmission costs due to the lower cost of capital stemming from the regulated rate of return on their assets. RTDs will also achieve attractive funding due to the ultimate transfer of the asset into a TNSP's regulated asset base. By contrast, generation construction project finance is expensive and forcing charges to be passed through from generators to end-use customers is inefficient. This mechanism was not included in the model proposed but should be explored in the final Report.

Pacific Hydro believes that a national solution to Australia's climate change obligations is most appropriately addressed through broader national funding. We therefore support national benefits associated with the infrastructure arrangements being assessed and funded nationally. The contribution of national funding could be based on underpinning the risk of the oversized augmentation and the deep augmentation necessary to provide the access to the customer loads including into adjoining regions. We have considered a number of national funding arrangements and provide a list of possible alternatives below, including.

- Direct government investment;
- Infrastructure levies; and
- Energy infrastructure bonds.

## Direct Government Investment

Under the auspices of Infrastructure Australia the Federal Government can make strategic investments in new transmission and interconnection infrastructure, enabling investors and project proponents to immediately begin work on delivering zero and low emissions energy to the National Energy Market.



These investments should be viewed as necessary to ongoing energy security and therefore deemed to be made in the national interest as part of broad strategic framework of transmission and interconnection upgrade.

### **Infrastructure Levy**

Should direct capital not be available under bodies such as Infrastructure Australia, the Federal Government needs to consider a range of alternative funding and cost recovery arrangements. To recover the cost of energy infrastructure investments the Federal Government could either:

- Charge AEMO with the responsibility of establishing a national transmission pricing regime that would see the cost of new infrastructure spread across all jurisdictions; or
- Establish an "Infrastructure Levy" that could be applied across all NEM jurisdictions. Consideration of the application of the Infrastructure Levy should also be given to the Western Australian and NT networks.

Private equity investors would be attracted to either model given the long-term government guaranteed revenue stream provided by a regulatory pricing regime.

An approach similar to this has been adopted by a number of US state jurisdictions, the most notable of which is Texas where Government takes all financial and stranded asset risk for the life of the investment and recovers costs via all energy users.

There are also recent examples of such levies in Australia. The most notable was the "Smelter Levy" that was applied to all energy users for 10 years to help recover the cost of energy supply to the Portland and Point Henry Aluminium Smelters, including costs associated with the 500kV transmission infrastructure that now facilitates South Australia's interconnection to the National Electricity Market. In 2004 this levy was removed as a stand-alone item and incorporated into the state-based postage stamp transmission pricing structure.

### **Energy Infrastructure Bonds**

The Federal Government could also combine the infrastructure levy approach with the issuing of "Energy Infrastructure Bonds" to assist with raising additional capital and attracting private investment partners.

Usually Government debt, via the issue of bonds, is not specifically related to a piece of infrastructure but is seen as overall Government debt in the same way as corporate debt is securitised by a company's balance sheet while project debt is securitised by the actual project.

Given these bonds will be tied to a distinct, regulated revenue stream (therefore identifying the exact nature of the debt repayment) and long-lived asset base, it could be seen as closer to the traditional project financing model rather than corporate debt. Energy Infrastructure Bonds could be seen as a separate, high value, government guaranteed investment opportunity for institutional and retail investors alike, rather than being viewed as a regular bond issue.

This may assist in overcoming political criticism of increasing debt as Government can point to specific national assets as a direct result of their actions.

Energy Infrastructure Bonds would represent an opportunity for many Australians to invest in our clean energy future and assist in ensuring energy independence and security while providing an additional form of superannuation investment opportunity.

Pacific Hydro believes Energy Infrastructure Bonds would be of particular value for stand-alone assets which are seen as having unacceptably high risk profiles to private investors, or jurisdictions in the NEM. This would apply principally to interconnectors between NEM jurisdictions.

### **Combination of Alternative Funding Arrangements**

An indicative outline of how the various elements of this proposal may work together is provided below.

1. AEMO, with the support of TNSPs and RTDs design and model a number of NERG regions. An "Energy Industry Road Map" is produced providing strategic direction for the transformation of Australia's energy networks to support a low carbon energy sector.
2. Expressions of Interest (EOI) is sought from generation developers to secure a threshold level of commitment to build new plant having already been identified and initially vetted as part of the industry road map. Success under the EOI may also include a requirement by project proponents to make an up-front payment to secure their capacity. This payment, while non refundable, could be converted into Energy Infrastructure Bonds upon completion of the generating asset and connection to the grid.
3. Generation Developers accept a Standard Offer made by TNSPs or RTDs, which has been reviewed by AEMO and accepted by the AER. These offers will require commitment by both the transmission provider and generators to meet agreed timeframes. Failure to meet these obligations would incur penalties.
4. Funding arrangements in relation to the national strategic value of the infrastructure are completed.
5. Construction of transmission assets and generation connection is undertaken.

A summary of Pacific Hydro's views on a comprehensive solution are provided in the table overleaf.

Issue	AEMC View	Pacific Hydro View
Costs of network extension (NERG) funded by	Generators Customers (risk of overbuild)	Generators (connection assets) Customers (portion of deep augmentation) National Funding (risks of overbuild and portion of deep augmentation)
Who should build network	TNSPs	TNSPs or Rival Transmission Developers (RTD's)
Role of AEMO	Strategic planning and capacity review	Manage process, Strategic planning, capacity and NER performance review
Role of AER	Review Standard Offer	Review Standard Offer for inequitable customer risk and determine appropriate national funding portion
Generator Commitment	Acceptance of Standard Offer prior to AEMO or AER review	Acceptance of Standard Offer after AEMO and AER reviews and commitment in the form of Energy Infrastructure Bonds

## 2b. Does the recommended assessment process appropriately balance customer risk with potential customer benefit?

As discussed in our response to 2a, Pacific Hydro believes there is a need to share the risk of large-scale investment in transmission infrastructure between all participants in the market, and between the customers of all jurisdictions regardless of the location of an investment. However we also believe that it is appropriate that customers take a larger share of the risk, commensurate with their national benefits in increased network reliability and energy security and avoided greenhouse emissions.

The NERG model proposed in the Second Interim Report will apportion jurisdictional customers with an unequitable share of infrastructure costs associated with transmission augmentation that is considered to have national strategic significance.

It is economically inefficient to charge generators for these costs as generators will pass these costs on to retailers who in turn will pass higher costs onto customers via energy tariffs. Existing TNSP charging arrangements are suitable to recover these costs. Generators should pay for connection assets and the payment of deeper augmentation required should be balanced between national funding and customer charges.

## 2c. Is there merit in allowing rival service providers to deliver network extensions for remote generation?

Pacific Hydro believes that the Renewable Energy Target (RET) and Carbon Pollution Reduction Scheme (CPRS) legislation, and the limited available capacity on the existing networks, will place a high level of demand on TNSPs to connect both remote generators and augment existing networks. Allowing Rival Service Providers (RSP) to compete with existing TNSPs for the design and delivery of NERGs will provide for a greater level of competition for these developments and assist in the provision of resources.

Mechanisms for the build-transfer of public infrastructure assets have been developed successfully in Western Australia (eg. water supply). The Economic Regulation Authority evaluates private sponsorship of infrastructure development and agrees to adopt it if a lower cost proposal is submitted.

Consideration of a build-transfer mechanism for transmission infrastructure should include an assessment of the apportionment of construction risks between the RSP and the ultimate regulated rate of return received by the TNSP. It is inappropriate to allow a TNSP to benefit from the same regulated return for assets transferred to it, if the risks associated with that return have been mitigated by the RSP.

## Issue 3: Efficient Utilisation and Provision of the Network

### 3a. Do you agree that we have accurately identified which elements of the existing framework are considered inadequate and therefore require change?

Pacific Hydro is supportive of transparent and long term investment signals for generation connection but believes that the proposed G-TUOS and Congestion Pricing Mechanisms proposed by the AEMC will not deliver adequate or effective signals, nor adequately deliver the transmission augmentation required to facilitate the expanded RET and CPRS.

As a variable cost, the proposed G-TUOS mechanism fails to provide investor certainty, a central element of investment decision making. However neither does it provide long run locational signals, as the location of congestion changes with time and with investment and retirement decisions which cannot be forecast in the longer term. The G-TUOS would therefore not provide the signals it is designed to create.

More fundamentally, a G-TUOS fails to address the key underlying issue of a lack of transmission infrastructure. As a zero-sum measure which merely transfers wealth between generators, a G-TUOS does nothing to stimulate investment in new infrastructure thereby removing the congestion from the energy system as a whole.

In addition, the mechanism is biased against technologies which are tied to a locational resource (ie wind and geothermal energy) and are not able to choose where to connect to the network. Pacific Hydro believes it is inappropriate that changes to regulation made through this review limit the delivery of the RET and the CPRS, through introducing barriers to clean energy project development.

A Scottish review of the UK G-TUOS found that the mechanism failed to adequately provide the signals which were intended, and instead led to high, unpredictable and volatile charges. The proposed measure would therefore not deliver economically efficient locational price signals.

The proposed G-TUOS represents a major change to the energy market. Any change of this scale warrants a deeper level of investigation and transparency than is provided in the Second Interim Report. If this mechanism is to be pursued by the AEMC, Pacific Hydro supports a detailed analysis of the costs and benefits. The National Generators Forum has undertaken such an analysis in their own submission to this Review and presents in detail the many flaws in the G-TUOS proposal.

Similarly, the Congestion Pricing Mechanism cost signal appears inconsistent with the expected generation growth under the RET and CPRS. The necessary transmission augmentation will not be delivered from the proposed congestion signals, as renewable generators likely to respond to the RET and CPRS will be located in remote areas where congestion signals will be strongest. A mechanism that both signals the congestion and identifies what augmentation is required to relieve the congestion is needed.

Pacific Hydro believes that TNSPs have a responsibility to ensure that network congestion is managed appropriately and signalled to the market. The AEMC should ensure TNSPs are held accountable when they allow generators to oversubscribe to their transmission network.

We therefore assert that the proposed G-TUOS and Congestion Pricing Mechanism will not facilitate solutions to the expected transmission issues that are not already managed by Static Loss Factor pricing signals and due diligence undertaken by network studies. In some cases they may actually create a barrier to clean energy investment. We therefore consider that these mechanisms should not be pursued as part of the AEMC Review.

### 3b. Would the G-TUOS charging option design improve price signals to promote efficient location and retirement decisions in the most efficient way? Are there any design variations that may improve the signals?

As aforementioned, Pacific Hydro believes that the G-TUOS charging option will not promote efficient location decisions for new plant that will be required to deliver the RET and the CPRS.

Furthermore, we believe that issues more material than G-TUOS signals will drive the retirement of plant. In introducing a cost on carbon, the CPRS will have a far more profound effect on retirement decisions for high emissions plant in the medium to long term.

Although the use of Static Loss Factors to promote location signals is problematic, unless firm capacity can be assured, additional locational signals will be immaterial.

### 3c. Given the G-TUOS is a preferred option, what additional value would a congestion pricing mechanism add? If such a mechanism is required, what design

## variations should be considered to improve signals to manage short-term intraregional congestion in the most efficient way?

As aforementioned, Pacific Hydro does not support either the G-TUOS or the Congestion Pricing Mechanism and considers the use of Static Loss Factors sufficient in the short-term to provide locational signals for investment and retirement. These signals will be added to over time as the CPRS matures.

## Issue 4: Inter-regional Transmission Charging

### 4a. Is the proposed design for the load export charge appropriate as an effective mechanism to address the identified problems?

Pacific Hydro supports the proposed design of inter-regional transmission charging put forward in the Second Interim Report. This mechanism will assist in the augmentation of interconnectors due to the incentives placed on rival TNSPs to meet customer demand from their adjacent regions. Interconnectors are already seen as bottlenecks for renewable transmission from SA, and we see inter-regional transmission charging as an important step forward in the provision of mechanisms that will address the need to augment interconnection between states. Mechanisms such as inter-regional transmission charging are therefore urgently required.

### 4b. Is our suggested commencement date of 1 July 2011 achievable?

Given the importance of the introduction of inter-regional transmission charging, Pacific Hydro can identify no reason why the 1 July 2011 date could not be achieved.

## Conclusion

The focus of the AEMC on providing regulatory solutions to underinvestment in infrastructure in the Second Interim Report is both appropriate and timely given:

- The need to transform the energy sector for a low carbon future;
- The scale of Australia's untapped clean energy supplies that are located outside the existing energy networks; and
- The serious underinvestment in infrastructure over the last two decades, leaving Australia with an ailing transmission and distribution network.

Pacific Hydro supports the AEMC's focus on providing NERG zones to unlock Australia's vast renewable energy resources.

In combination with the regulatory approach put forward in the Second Interim Report however, a comprehensive national solution needs to ensure funding solutions that appropriately spread both the risk and the cost of investment across all participants in the energy network. The cost and risk distribution should be allocated in a way which is economically efficient but commensurate with the benefits provided by the investment. As many of the necessary

investments will be undertaken in the public good, Pacific Hydro believes it is appropriate that consumers should carry the bulk of the risk, but that investments should be underpinned by Government. Generator developers should be required to pay the cost of connection into NERG zones, in line with their commitment during the planning phase.

It is important that further regulatory changes put forward by this Review do not act to counter the investment incentives that will be created by unlocking strategic resource zones through the NERG mechanism, as this has the potential to limit Australia's ability to deliver key climate policies including the RET and the CPRS. The G-TUOS and Congestion Pricing Mechanism proposals put forward in the Second Interim Report have the potential to create barriers through providing locational signals which are biased against energy sources which are located outside existing energy networks.

Pacific Hydro does however strongly advocate for inter-regional transmission charging as an important step towards a truly national energy system and supports its introduction by 1 July 2011.

We encourage the AEMC to continue with this important agenda and look forward to continuing to work with the Commission towards the final report.

## Summary of Recommendations

1. Continue development of NERG zones including an initial planning phase by AEMO to produce an Energy Industry Road Map. This Road Map would form the basis of proposals for network extension by TNSPs or RTDs.
2. Require that processes for planning and development of proposals for network extensions by TNSPs and RTDs consider deeper augmentation and are undertaken more regularly than the annual planning processes currently used, allowing more timely delivery.
3. Allow a 30 day review period of Standard Offers from TNSPs and RTDs to generators, with generators that commit to connection to NERG zones subject to development timing commitments.
4. Provide a funding mechanism which allows for broader national investment in NERG zones, in the form of direct government investment, and moves the risk and cost of investment in the large scale NERG backbones from generators and on to all consumers in the NEM.
5. Abandon implementation of G-TUOS and Congestion Pricing Mechanisms as a method to provide locational signals for investment and retirement as they create barriers to investment in remote renewable energy resources.
6. Implement Inter-regional Transmission Pricing from 1 July 2011.