



**Victorian Energy Networks Corporation**

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Dr John Tamblyn  
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Australian Energy Markets Commission  
Level 16, 1 Margaret Street  
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Submission: [submissions@aemc.gov.au](mailto:submissions@aemc.gov.au)

24 July 2006

Dear John

**Re: AEMC Draft Report on Review of Enforcement and Compliance with Technical Standards**

VENCorp has reviewed the AEMC's Draft Report and generally agrees with the recommendations. VENCorp has comments on some specific recommendations as follows for your consideration:

**Recommendation 1 (bullet 3) – generators provide NEMMCO copies of connection agreements.**

As raised in our previous submission (June 2006), VENCorp supports the concept of providing NEMMCO with relevant technical information, but does not support providing the connection agreements to NEMMCO, as these document contains confidential commercial matters which are not relevant to NEMMCO's operation of the NEM, such as financial terms and conditions.<sup>1</sup>

**Recommendation 1(bullet 4) – binding and enforceable arbitration**

VENCorp has concerns about establishing an additional dispute / arbitration process within the Rules as it is neither efficient or effective to have multiple processes in the NEM. If the dispute / arbitration process provisions within Chapter 8 are not deemed adequate, then the Chapter 8 processes should be amended rather than additional processes being developed.

**Recommendation 2 – Review of Standards and Processes**

VENCorp supports this recommendation and believes that the reviews should be done through an industry-working group to ensure that the standards are clear and appropriate and that they operate appropriately between the parties within the NEM.

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<sup>1</sup> VENCorp comments on NEMMCO proposed Rule Changes to AEMC on Technical Standards for Wind Generation, Jun 2006.

The group could be led by the AEMC and comprise representatives from NEMMCO, TNSPs, Generators, DBs and connected customer representatives.

**Recommendation 4 – NEMMCO to Issue guidelines on Generator and TNSP Compliance Programs**

VENCorp supports this recommendation and believes that the guidelines should be developed through an industry-working group, as above, to ensure that the guidelines are reasonable and will operate as expected within the NEM.

**Recommendation 8 –The AER to determine the Timeframe for Rectification of Non-Compliances following a dispute**

Similar to our comment on Recommendation 1(bullet 4), VENCorp has concerns about establishing additional dispute / arbitration processes within the NEM, as these disputes can be dealt with through the Chapter 8 processes.

**Recommendation 10 – NEMMCO to Report Potential Non-Compliances**

VENCorp is concerned that establishing a workable basis for NEMMCO to use in identifying a 'potential non-compliance' might be difficult and this could lead to incorrect and unnecessary reporting by NEMMCO and subsequent investigation by the AER, thus imposing further unnecessary regulation on the industry.

**Recommendation 12 – Review of Penalties**

VENCorp believes that once the technical standards have been reviewed and finalised, there should be a review to ensure that the penalties are still relevant and appropriate.

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

Yours sincerely



Matt Zema  
Chief Executive Officer