

POWERLINK QUEENSLAND

SUPPLEMENTARY RESPONSE TO: AEMC DRAFT RULE DETERMINATION

Transmission Network Replacement and Reconfiguration

5 January 2007

Powerlink Queensland (Powerlink) wishes to make this additional submission to the Australian Energy Market Commission (the Commission) in respect of the Draft National Electricity Amendment (Transmission Network Replacement and Reconfiguration) Rule 2006 (the Draft Rule).

The Draft Rule proposes a new, two part definition for a *new large transmission network asset*. The first part essentially reproduces the existing definition, being an *augmentation* on which a TNSP expects to capitalise more than \$10 million. The second part of the definition is a *transmission* asset for which a TNSP expects to capitalise more than \$35 million.

The term *transmission* is a defined term under the Rules and means activities pertaining to a *transmission system*. The term *transmission system* is defined to include the *transmission network plus connection assets*.

Powerlink is concerned that the second part of the proposed new definition of *new large transmission network asset* will include *connection assets* as part of those investments on which public consultation will be required under clause 5.6.6 of the Rules. This appears to be an unintended consequence of the use of the defined word *transmission*, as public consultation on the establishment of connection assets was not raised in either the initial consultation or in the Draft Determination.

As connection assets are dedicated to serving a specific network customer, and are requested and paid for by that network customer, Powerlink does not believe that there is any benefit to be gained in requiring additional public consultation.

In addition, new connections are often established on very short timeframes to meet the commercial requirements of the customer. Requiring public consultation on connection assets would introduce unwarranted delays in project development.

For these reasons Powerlink believes the definition should be amended to ensure connection assets are not captured. This could be done most conveniently by changing the first words of the definition from "A *transmission* asset:" to "A *transmission network* asset:" This change would also align the content of the definition with the title, being in reference to a transmission network asset.