



7 September 2007

Dr John Tamblyn  
Chairman  
Australian Energy Market Commission  
PO Box H166  
Australia Square NSW 1215

By email: [submissions@aemc.gov.au](mailto:submissions@aemc.gov.au)

Dear Dr Tamblyn,

### **National Transmission Planner – Scoping Paper**

The Energy Retailers Association of Australia (ERAA) is pleased to have the opportunity to comment on the National Transmission Planner Scoping paper released for comment by the Australian Energy Market Commission (AEMC) during August 2007.

The ERAA is an independent association representing twelve retailers of electricity and gas throughout the National Electricity Market (NEM) and the jurisdictional gas markets. ERAA members collectively provide electricity to 11 million customers in the NEM and are the first point of contact for end use customers for both gas and electricity. As such we are critically interested in a Transmission planning regime that delivers an efficient and effective transmission system.

We offer the following comments on this Scoping paper.

### ***Overall comment regarding the scope of the transmission planning review***

The ERAA supports more co-ordinated planning of the National Transmission System. As indicated in the scoping paper, achieving this objective will touch on a wide range of matters: the transmission industry regulatory regime, industry structure, and the interaction of the regulated and the market based energy sector. In this context, we are concerned that the Scoping paper may inappropriately narrow the scope of work required to adequately address these matters.

Scope limitations imposed now, run the risk of hindering the effective operation of the review process as it proceeds. We believe it may be more beneficial for the scoping paper to focus on the sequence in which matters can be logically dealt with to develop a sound and robust transmission planning and investment regime into the future.

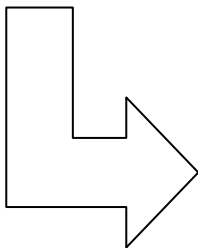
In addition to this more clarity in relation to the operation of the revised National Planning regime is needed. More effective participant feedback will follow from a more clearly stated Commission framework.

The diagram below outlines a general approach that the ERAA believes may achieve this outcome.

**Diagram: Proposed approach**

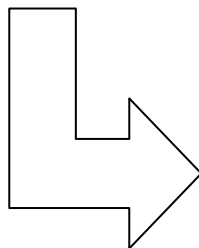
**Determine basic planning regime & process:**

- role of 10 year plan
- who does revised planning process operate (eg. Reworked regulatory test)
- interface with 5 year rate resets
- interface with market sector
- any ongoing jurisdictional variation requirements
- separation between national and local network areas (if any)



**Determine institutional arrangements:**

- role of NTP
- ongoing planning roles for TNSP's (if any)
- ongoing role of last resort planning power (if any)
- timing of 5 year rate resets
- which bodies should do each function



**Develop transition / implementation plan:**

- identify rule change package required
- determine timeframe for transition of roles
- interface with AEMO transition (if any)
- planning and rate reviews in interim period

The ERAA notes that at times the scoping paper covers areas which would more typically be covered by a subsequent Issues paper. We hope that the upcoming Issues paper will cover these areas again in a more robust manner.

***More detailed matters raised in the scoping paper***

ERAA members are still debating the implications of the COAG directives and how they can be most appropriately implemented in a revised National Transmission Planning regime. Consequently it would be premature for us to comment in detail on the matters raised in the draft Scoping paper. We expect that we will have the opportunity to comment on these matters in more detail in subsequent consultations and look forward to offering our comments at that stage.

Should you require any further information in relation to this matter please feel free to contact me on (02) 9437 6180.

Yours sincerely

*[Transmitted Electronically]*

Cameron O'Reilly  
Executive Director  
**Energy Retailers Association of Australia**