



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

30 January 2014

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

Dear Mr Pierce

*ERC0156 – NATIONAL ELECTRICITY AMENDMENT (PUBLICATION OF ZONE
SUBSTATION DATA) RULE 2013 DRAFT DETERMINATION*

Ergon Energy Corporation Limited, in its capacity as a Distribution Network Service Provider in Queensland, welcomes the opportunity to provide a submission to the Australian Energy Market Commission on its *National Electricity Amendment (Publication of Zone Substation Data) Rule 2013 Draft Determination*.

Should you require any additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Doyle', with a long horizontal line extending to the right.

Jenny Doyle
Group Manager Regulatory Affairs

Telephone: (07) 3851 6416
Email: jenny.doyle@ergon.com.au

Encl: Ergon Energy's submission.



**Submission on the
*National Electricity
Amendment (Publication
of zone substation data)*
Rule 2013 – Draft Rule
Determination**

30 January 2014

**Submission on the *National Electricity
Amendment (Publication of zone substation
data) Rule 2013 – Draft Rule Determination***

Australian Energy Market Commission

30 January 2014

This submission, which is available for publication, is made by:

Ergon Energy Corporation Limited

PO Box 264

FORTITUDE VALLEY QLD 4006

Enquiries or further communications should be directed to:

Jenny Doyle

Group Manager Regulatory Affairs

Ergon Energy Corporation Limited

Email: jenny.doyle@ergon.com.au

Phone: (07) 3851 6416

Mobile: 0427 156 897

Introduction

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *National Electricity Amendment (Publication of zone substation data) Rule 2014 – Draft Rule Determination*. Ergon Energy is generally supportive of the overall approach.

In response to the AEMC's invitation to provide comments on the Draft Determination, Ergon Energy has provided general comments on a number of issues and seeks further clarification from the AEMC on a range of these. The later part of the submission addresses the questions raised by the AEMC in the Draft Determination. Ergon Energy is available to discuss this submission or provide further detail regarding the issues raised, should the AEMC require.

Specific Comments

This section is divided into 3 subsections. The first contains a number of general comments and seeks clarification from the AEMC on a number of issues. The second 2 sections discuss issues raised by the AEMC in relation to price regulation and commencement of the final Rule.

1. General comments

Process and Systems affected

The data requirement resulting from this Rule change is more complex than a simple extraction of data from an existing database. As such, Ergon Energy will require a review of the processes and systems involved. If possible, existing processes and systems should be used and modified to reduce the impact of the Rule change. Appropriate time should be allowed for this work to occur before commencement of any new Rule.

Who can ask for information?

The draft Rule 5.13A(e) appears to suggest that any person may request the zone substation data, with no apparent qualification for the person/organisation requesting information. Ergon Energy seeks clarification from the AEMC that there is no predetermined qualifications required of the requesting party and/or that the DNSP may refuse to supply the data if it has reasonable grounds to suspect the data will not be used in accordance with the intent of the Rule.

Type of zone substations covered by the Rule

Although 'zone substation' is fairly clearly defined in the Rule, Ergon Energy seeks clarification from the AEMC that bulk supply substations and transmission-distribution connection points are excluded from requests for data, i.e. bulk supply substations are substations that are not transmission-distribution connection points and do not connect to customers. Ergon Energy believes bulk supply substation and transmission-distribution connection points should be excluded, on the basis that zone substations deliver energy to customers and any shared asset is merely a transport mechanism.

Number of Zone Substations per request

As drafted, the Rule is not clear whether the annual zone substation reports or 10 year zone substation reports are for specific zone substations or for all zone substations. While the Draft Determination appears to suggest the intent of the Rule change is to provide data on all zone substations, Rule 5.13A(d) suggests there is some liberty for DNSPs to define some of the parameters, including details of reports which are available on request. As such, Ergon Energy seeks clarity on whether the reports are to include all zone substations or individual zone substations. Ergon Energy recommends including an option for requests to select between all zone substations or individual zone substations. Further, in the case of the later, it is likely that a per-zone substation request could be seen to be more cost-reflective.

Data Model of Zone Substation data

Although Rule 5.13A(b) defines the formats of data with a minimum quantity in MW, KW or W, Ergon Energy believes it would be desirable for the purposes of the Rule to include VA or VAR. This is generally available in Ergon Energy systems and meets the intent of the Rule change.

Electronic Format of Zone Substation data

Ergon Energy acknowledges the AEMC's determination that data will be provided 'on request' rather than through publication on a website, and that DNSPs have the option of providing data either offline via a data storage device (for example, compact disc (CD) or universal serial bus (USB) drive) or online via a secure website download. Ergon Energy's experience with providing data on USB drives has found this to be messy, inconvenient and resource intensive. As such, it is Ergon Energy's preference to provide the data through a secure website download.

Corporate Source System of Zone Substation load data

Ergon Energy will require a delay to the commencement of the Rule change owing to the implementation of a new source system for load data. Ergon Energy believes a delay to the commencement of the Rule until at least September 2015 is required.

Alignment with the Distribution Annual Planning Report (DAPR)

Ergon Energy notes that the information provided must be aligned with the Distribution Annual Planning Report (DAPR) report (Rule 5.13A(b)(1)), and that timing, processes and information technology (IT) solutions to provide the zone substation data will need to be aligned with the DAPR production.

Timing of Zone Substation data Publication

Ergon Energy notes that the DNSP may define the end date of the reporting year and the start and end dates of the period to which the ten year zone substation report relates. Ergon Energy's internal validation process for this data occurs during the zone substation load forecasting process, which is seasonal, and is complete when the post-summer forecast is published mid-year.

In addition there is a significant synergy between the determination of excluded substations and the planning process to produce the DAPR, which ends with the publishing of the DAPR in September. As such, Ergon Energy has a strong preference to provide demand data and forecasts on a seasonal basis, i.e. if the DAPR is published in September 2xxx, then published zone substation data is up until March 2xxx.

Commercial / confidential information

Ergon Energy notes that information / zone substations can be excluded on confidentiality / commercial grounds, and seeks the AEMC's guidance as to whether the reasons for these exclusions should be provided on the website for information prior to a data request, or only after a request for the zone substation's data.

Resources required

Throughout the Draft Determination, the AEMC indicates that the cost of data provision should be relatively low. However, Ergon Energy has recently had to provide historical data to external parties as part of the Demand Reduction Potential Review. The mechanism used was provision of data on an external hard disk drive, which proved extremely labour intensive.

Furthermore, the AEMC suggests that no additional resources will be required to answer subsequent questions regarding the data provided. To meet the AEMC's expectations and minimise the impact of the requirement on existing resources, Ergon Energy suggests that additional IT operational support will be required.

2. Regulation of the price of the service

The Draft Determination suggests the fee determination mechanism should be a user-pays system. The reasonable fee depends on IT and other infrastructure requirements, increases in operational processes, and specific application processing costs. However, the AEMC appears to only include specific application costs in the Draft Determination.

Ergon Energy would support the service being made an Alternative Control Service if it were subject to regulation by the AER. If the AEMC accepts the need for a delay in commencement of the Rule as we have proposed then no transitional arrangements would be required as the Rule would take effect after our next Distribution Determination.

3. Commencement of the final Rule

Ergon Energy suggests additional time will be required to utilise IT-intensive solutions, and make changes to DAPR processes. It is unlikely that the source system required for Ergon Energy will be available in 2014. Moreover, there is already a significant regulatory workload during 2014/15. As such, Ergon Energy recommends a delay to the commencement of the Rule until at least September 2015 is required.