13 February 2020

Mr Andrew Truswell
Director
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Truswell

Draft Report – Updating the Regulatory Frameworks for Distributor-led Stand-alone Power Systems

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comments to the Australian Energy Market Commission (AEMC) on its *Draft Report – Updating the Regulatory Frameworks for Distributor-led Stand-alone Power Systems* (Draft Report). This submission is provided by Energy Queensland, on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy), Ergon Energy Queensland Limited (Ergon Energy Retail) and Yurika Pty Ltd (Yurika).

Energy Queensland has addressed concerns relating to the policy recommendations and the outcomes based on the Draft Report in the attached submission.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact myself or Alena Chrismas on (07) 3851 6784.

Yours sincerely

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Encl: Energy Queensland's submission

Energy Queensland Submission to the Australian Energy Market Commission

Draft Report - Updating the Regulatory Frameworks for Distributor-led Stand-alone Power Systems

Energy Queensland Limited

13 February 2020

About Energy Queensland

Energy Queensland Limited (Energy Queensland) is a Queensland Government Owned Corporation that operates a group of businesses providing energy services across Queensland, including:

- Distribution Network Service Providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network);
- a regional service delivery retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail); and
- affiliated contestable business, Yurika Pty Ltd (Yurika), which includes Metering Dynamics Pty Ltd (Metering Dynamics).

Energy Queensland's purpose is to "safely deliver secure, affordable and sustainable energy solutions with our communities and customers" and is focussed on working across its portfolio of activities to deliver customers lower, more predictable power bills while maintaining a safe and reliable supply and a great customer service experience.

Our distribution businesses, Energex and Ergon Energy Network, cover 1.7 million km^2 and supply 37,208 GWh of energy to 2.1 million homes and businesses. Ergon Energy Retail sells electricity to 740,000 customers.

The Energy Queensland Group also includes Yurika, an energy services business creating innovative solutions to deliver customers greater choice and control over their energy needs and access to new solutions and technologies. Metering Dynamics, which is a part of Yurika, is a registered Metering Coordinator, Metering Provider, Metering Data Provider and Embedded Network Manager. Yurika is a key pillar to ensuring that Energy Queensland is able to meet and adapt to changes and developments in the rapidly evolving energy market.

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1 Introduction

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comments to the Australian Energy Market Commission (AEMC) on its *Draft Report – Updating the regulatory frameworks for distributor-led stand-alone power systems* (the Draft Report). We also note that, as part of this consultation process, the Australian Energy Regulator (AER) released a *Ring-fencing interaction with distributor-led stand-alone power systems – Explanatory Note* (the Explanatory Note). Energy Queensland has considered the AER's Explanatory Note in this response and welcomes the AER's assistance in clarifying the circumstances when a ring-fencing waiver application is required and the factors the AER considers in assessing an application.

This submission is provided by Energy Queensland, on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy Network), Ergon Energy Queensland Limited (Ergon Energy Retail) and Yurika Proprietary Limited (Yurika).

In response to the AEMC's and the AER's invitation to provide comments on the Draft Report and Explanatory Note and considering the stage we are at in this review, Energy Queensland has focussed on reiterating much of our earlier sentiments expressed throughout the stand-alone power systems (SAPS) review. In addition, Energy Queensland has focussed its attention to key concerns and is available to discuss this submission or provide further detail regarding the issues raised, should the AEMC or the AER require.

2 General comments

Energy Queensland has long recognised that SAPS have the potential for increased application in the market. This is especially the case for customers at the fringe of the national grid or in very remote or hard to access locations, where a SAPS solution may drive improved customer outcomes both from a reliability and cost perspective. With the rapid advancement in technology, Energy Queensland is seeing an increased number of connection applications where alternative supply solutions may provide a more efficient solution than grid supply. Ergon Energy Network identified in its current regulatory reset process the ongoing challenges it faces with the volume of replacement necessary to maintain safety and performance outcomes on an expansive, aging network. Ensuring efficient connections so as to avoid unnecessary expansion or augmentation, is equally as important as the ability to transition existing grid-supplied customers to an off-grid solution. DNSPs should be able to determine the supply delivery method for customers, including whether a network, non-network or SAPS option is the most economically and technically practicable. DNSPs need to address a range of short- and longer-term network transformation issues and this approach to managing the network is critical in ensuring that the regulatory and policy framework is fit-for-purpose at the fringe-of-grid.

In order to successfully facilitate the introduction of a SAPS supply delivery model, an effective and fit for purpose framework is critical in order to enable an efficient, customer centric solution. To support this, Energy Queensland notes that Ergon Energy Network operates isolated systems (both the generation and network services) which work effectively as a supply delivery model. In Energy Queensland's view this approach simplifies the supply chain while enabling Ergon Energy Network, who is managing the risk of supply, to control the form of supply to its customers.

Furthermore, Energy Queensland also wishes to acknowledge the AEMC's commitment and thorough review in developing a DNSP-led SAPS framework, including, engaging with Ergon Energy Network and other DNSPs and attending site visits to better understand network and customer drivers for SAPS.

However, Energy Queensland is disappointed with recommendations associated with the Final Report and as such, the outcomes contained in this Draft Report. Revisiting first principles and the intent of providing a SAPS solution, which is to drive economic efficiencies by utilising SAPS options to deliver distribution services, Energy Queensland considers that what is being proposed is inefficient, complicated and unnecessarily onerous, especially in circumstances where DNSPs are targeting very small SAPS or Individual Power Systems (IPS). The complexity associated with the approach for a DNSP-led SAPS framework has not been similarly applied to the third-party SAPS framework, in particular, as it relates to Categories 2 and 3.

While Energy Queensland supports a competitive environment, the priority must remain with the customer value and experience and must reflect the AEMC's intent that regulatory frameworks should balance the cost of regulatory arrangements with the expected benefits. In Energy Queensland's opinion the review does not deliver these outcomes. In contrast, the AEMC recognises that under Categories 2 and 3 of the third-party SAPS framework vertically integrated solutions should be allowed as the costs of compliance is disproportionally burdensome. Energy Queensland considers that the same principles, philosophy and approach for Categories 2 and 3 should be considered for DNSPs in similar circumstances, for example customers numbers and geographic location. This would promote the economic efficiencies of SAPS solutions for the benefit of customers in the long-term, especially in the areas being targeted by DNSPs, and would contribute to national uniformity.

Under this framework, there is a concern that DNSP costs may increase where waivers are sought and where they are unsuccessful, therefore, increasing the cost to serve customers which does not align with the intent of a SAPS solution. Being ring-fenced from the fundamental services required to deliver a successful customer SAPS outcome also limits the ability for DNSP's to manage important customer issues, for example, maintenance or fault response. A fundamental principle of risk management is that the risk should sit with the entity best able to appropriately manage it. The framework should adopt best practice regulation principles that align with the intent of the National Electricity Objective, rather than creating a complex and costly regulatory process to the potential detriment of customers.

The AEMC has developed a framework that places the market ahead of the customer and is based on the assumption that a competitive SAPS market exists or will develop soon. Energy Queensland facilitated a field trip with AEMC staff to provide first hand experiences of the challenges faced by customers in Ergon Energy Network's distribution area and beyond, to where SAPS exist as a customer-initiated electricity solution. The AEMC has acknowledged these accounts during the consultation phase and throughout workshops. As such, it is surprising that the framework has been developed to cater for a market that does not yet exist and is unlikely to develop in remote locations typified by many customers at the fringe of the grid in Queensland. To support this, Horizon Power have publicly stated that an end-to-end utility grade SAPS solution is not yet available from the market. While Energy Queensland supports the development of competition and innovation, a framework should be developed that allows for flexibility in regional areas where competition is limited or unlikely to emerge. This is especially so, since most circumstances where DNSPs will look to transition customers off-grid to a SAPS solution will occur in remote or hard to access places where reliability is paramount and emergency response is challenging. Given SAPS are a capital and material intensive solution, the greatest opportunity for market competition and customer price reduction is in the tender and supply of the major system components (solar, storage, backup generation) and these benefits can already be realised through the normal DNSP procurement process.

Energy Queensland has often heard that part of the justification for this model is because customers' consent is not required. However, it should be noted that customer consent is not related to a generation supply model, rather customer consent focusses on a customer's retail billing arrangements, protections, access to retail competition, quality and reliability of supply. Ergon Energy Network and Ergon Energy Retail through Ergon Energy Network's isolated systems deliver on all these aspects through the application of the National Energy Customer Framework and jurisdictional policies/legislation. Therefore, Energy Queensland does not support a more complex supply delivery model as proposed under the NEM consistency model. While Energy Queensland acknowledges that retail competition does not exist in these isolated communities, there are other mechanisms to ensure retail competition such as, adding a standard cost of energy to a distribution use of system charge (as determined by the relevant jurisdiction).

It should also be noted that, as this is new technology, including around reliability requirements, and the market is still developing, no distributor would transition a customer without heavily engaging with the impacted customers first. DNSPs want to ensure that customers are taken on the journey and as part of that process, we consider the requirement to obtain the consent of the customer is implied and will be required in order to ensure a positive customer experience. The DNSP has a vested interest to ensure that customers do not have any negative experiences as this will make deploying SAPS in other areas socially unpalatable and could risk the realisation of the opportunities related to SAPS.

An additional concern for Energy Queensland is the apparent lack of engagement with existing SAPS market participants as to whether the proposed service delivery model is viable for them. This model may support large SAPS providers but may not be suitable for independent and small-scale operators that do not have the capital reserves to manage upfront costs associated with the long asset life related to SAPS and the ability to manage multiple party transactions under the National Electricity Market (NEM) consistency model.

In addition to the complexity of this model, Energy Queensland is concerned that this model may create perverse behaviours. For example, SAPS designers may build systems that result in generation losses as they are guaranteed payments under the proposed service delivery model. The ability to exploit the SAPS design is valid and therefore, the proposed model does not meet the policy intent of delivering a more cost-effective supply model for customers. This is especially the case in specific locations where the take-up of SAPS by DNSPs will be low.

Energy Queensland considers that the proposed framework does not strike the right balance between compliance and customer experience, and as such, considers that amendments should be made to achieve this.

3 Specific comments

3.1 SAPS service delivery model

Energy Queensland considers that the proposed service delivery model, the NEM consistent approach, for a SAPS solution is administratively complex and cumbersome. We know that this approach is not maximising the true SAPS "delivered" costs value for the SAPS market. The purpose of this review was to create a regulatory framework that allowed DNSPs to deliver SAPS as an efficient alternative to maintaining a grid-connection. However, based on the outcomes of the Final Report, Energy Queensland is concerned that third-party SAPS generator providers are unregulated natural monopolies. Energy Queensland advocated for the integrated service delivery model, which would have allowed DNSPs to offer bespoke SAPS solutions taking into account various factors. This would have limited the number of parties involved in the SAPS lifetime, therefore enabling the most efficient cost outcomes and ensuring optimal customer experience. This would particularly be the case in fringe-of-grid areas where markets are unlikely to emerge and where opportunities are most likely to arise. Energy Queensland's distributor, Ergon Energy Network, has been managing isolated systems in regional areas for a long period and has demonstrated the ability to deliver these services efficiently and reliably. However, under the proposed NEM consistency model, which retains the existing wholesale energy market arrangements, including the Australian Energy Market Operator's (AEMO) administered settlement system, Energy Queensland is concerned that no efficiencies will be gained in the delivery of SAPS, particularly for IPSs. The introduction of a third-party SAPS generation service provider as part of this model and the associated risks and financial margins that they are likely to require, are expected to reduce the potential benefits that a DNSP would otherwise capture and pass onto customers compared to traditional network supply. The proposed solution is complex, involving the participation of additional parties that are not required or justified. Of particular concern is that the proposed service delivery model, regardless of whether it's fit-for-purpose under all scenarios, will apply in respect of the smallest of systems to the largest and in all regions regardless of remoteness and access to contestable services. This is not a proportionate solution, particularly in cases of serving small groups of customers at the fringe-of-grid.

The AEMC concluded the delivery of SAPS services to customers would best be supported by the existing wholesale energy market arrangements, including AEMO's administered settlement system. Utilising existing arrangements and participants made it easier to justify one of the reasons why DNSPs are not required to obtain a customer's consent, as many of the protections will remain with SAPS customers that are currently enjoyed by grid-connected customers. We consider that this concept is flawed as demonstrated by Ergon Energy Network which currently successfully operates isolated systems, which do not rely on the wholesale system. Ergon Energy Network's isolated systems operate outside the NEM process with Ergon Energy Network directly billing the retailers without going through the NEM settlement price. Energy Queensland believes that a similar approach can be achieved under the SAPS framework. This is especially so, as the long-term costs of SAPS are capital dependent rather than energy dependent, and as such, a simplified approach to energy billing is likely to be more efficient.

Under this model, AEMO's role appears to be limited to the settlement of energy related to the SAPS option and we query whether AEMO needs to be involved. The AEMC indicated at the workshop held on 29 January 2020 that one of the reasons for retaining AEMO's involvement is because retailers wanted it involved in the embedded networks framework to enable retailers to pay one party rather than multiple different parties. Energy Queensland queries whether linking these frameworks and therefore, the whole approach is suitable as it overcomplicates the service delivery model and AEMO's role is limited to a financial clearing house function. In addition, the proposed model would require the generator to be registered with AEMO either directly or via an intermediary, therefore introducing additional costs and further increasing inefficiencies and obstacles (especially for smaller providers). Also, Energy Queensland is not supportive of the proposal that AEMO is able to charge for its non-energy costs, given its role is limited to setting the SAPS settlement price and any additional charges will be passed through to customers.

In terms of calculating SAPS trading amounts, Energy Queensland notes that prudential requirements should take account of the SAPS settlement price, that is, the unadjusted pool price.

In summary, given the view that SAPS solutions may increasingly represent a more economical alternative to the traditional network solution, these benefits should be realised in a model that represents the unique characteristics of a SAPS solution. Accordingly, Energy Queensland recommends further re-consideration of whether this is the appropriate service delivery model for SAPS solutions.

3.2 SAPS settlement price

The AEMC proposes that a conservative adjustment of 0.8 be applied to the previous year's average wholesale price to mitigate the risk of a case arising where the SAPS settlement price is greater than the wholesale cost faced by retailers. Energy Queensland considers that the adjustment factor of 0.8 may make it difficult for DNSPs to deliver an economic SAPS solution as per the policy intent. In effect, the smaller the SAPS settlement price, the greater the payment from the DNSP to the SAPS generation service provider. However, if an adjustment factor of 0.8 is applied to a flat time-weighted average price, then a SAPS solution becomes more difficult to justify as an economic solution.

Energy Queensland is concerned that under this methodology, the customer is highly unlikely to receive a price signal that is based on the optimal use of a SAPS. The DNSP, despite being directly accountable for the supply, under this model has limited ability to impact the localised customer energy usage behaviour despite this having a significant influence on the upfront and operating cost of the SAPS. Notwithstanding, Energy Queensland believes there should be an opportunity for customers to receive price signals appropriate to the efficient operation of a SAPS and therefore realise the true benefits of a SAPS solution, while ensuring that a customer is no worse off. This could be in the form of a voluntary DNSP tariff and supporting retail tariff or a DNSP incentive that is overlayed on top of existing retail tariffs.

3.3 Service classification and Ring-fencing Guideline

Due to the proposed service delivery model and the classification of services, a DNSP cannot provide a vertically integrated SAPS solution unless a ring-fencing waiver is obtained. This is because the generation service provided to SAPS customers is not a distribution service for the purpose of economic regulation and, as such, the AER's Ring-fencing Guideline (the Guideline) apply.

Energy Queensland considers that the delineation between the "generation service" and "input into the distribution service (i.e. ownership, operation and maintenance of the SAPS generating unit)" is unclear. For example, what is the difference between operation of the generation unit (an input into the distribution service) and generating electricity (a generation service)? This has implications on how the costs are recovered. Given that some system components perform multiple functions, if the current rules were to progress Energy Queensland would interpret that the service is classified based on the predominant function. An example to demonstrate this would be an IPS supplied by solar, whereby the solar system is classified as the generation service and input to the distribution service, the batteries providing transport, storage and security and a backup diesel generator providing reliability, with both the solar and battery being classified as the

distribution service. This could be considered similar to where battery systems and backup generation is used for network support.

While Energy Queensland appreciates the AER's explanatory note, we are disappointed that the AEMC did not develop a framework that provides DNSPs with an automatic ring-fencing exemption (both legal and functional) under certain conditions. For example, we consider it would be appropriate to exempt a DNSP from the legal and functional separation obligations of the Guideline where a vertically integrated SAPS solution is appropriate for a certain number of customers within a geographical location, similar to the regional office concept under the Guideline. As the SAPS market is fairly new and, in many locations, does not yet exist (and is unlikely to emerge in remote locations) and given DNSPs will be targeting very remote, hard to access locations, where competition is low, the AEMC should have built into the framework an automatic exemption process rather than the AER providing an explanatory note, which only provides clarity on what the AER requires in order to assess a SAPS ring-fencing waiver. The process around obtaining a waiver can be varied, and in circumstances, such as a natural disaster, where the need for an urgent asset replacement is strong, a DNSP may be able to replace the damaged network asset via a vertically integrated SAPS solution. However, under the Guideline, a DNSP would be required to submit a waiver application addressing a range of factors that the AER would consider when assessing an application. Under these circumstances, there is no harm to customers if a DNSP has the means and capacity to provide a supply solution to a customer urgently without having obtained a waiver. In addition, consideration should be given as to whether a DNSP should have a step-in right to take over ownership of the SAPS generator in the event of insolvency or a material failure of the asset owner to provide a reliable supply/maintain the SAPS. Energy Queensland suggests that the AER consider whether the Guideline could be amended to make provision for natural disaster and insolvency events.

As discussed, and highlighted in the Brisbane AEMC SAPS forum on 29 January 2020, Energy Queensland remains concerned around the ability for the proposed third-party SAPS generator service providers to be able to provide appropriate fault response, particularly after major natural disaster events. This is the case given the proposed service delivery model and service classification mandates that the DNSP cannot own and operate the SAPS generator, meaning the DNSP and customers are reliant on the third-party SAPS providers ability to respond to all outages. The AER further indicated that the DNSP could seek a waiver to provide those elements of the generation service. However, even if a waiver is granted by the AER, the DNSP's staff will likely have had no exposure to the third-party SAPS system. As such, it is unlikely that the DNSP's staff will be able to be authorised, trained and competent to assist after any major natural disaster events, for example, cyclones, fires and floods.

The new waiver provisions should also address transitioning current DNSP SAPS trials where the DNSP already owns the SAPS generator (as network support) to a permanent SAPS arrangement where the DNSP is satisfied that it is a suitable alternative to a

network connection. In its Explanatory Note, the AER provides in the case study examples that DNSPs are required to demonstrate through a tender process, whether a third-party provider and the market more generally can provide the SAPS generation service as required. This must be undertaken prior to submitting a waiver application to allow the AER to determine whether to publicly consult or not. We suggest that the AER underestimates the onerous and administratively burdensome nature of the tender process, and in particular the length of time required to consult and the associated costs to the DNSP and market providers, as they relate to a SAPS option. As indicated in many of Energy's Queensland's earlier responses, the design of the SAPS solution may be unique, and a one-size-fits-all approach may not be possible. Energy Queensland would welcome the AER considering scenarios where no tender is required or the submission of bulk waiver applications covering a particular geographic area. The tender process can take up to nine months and factoring in the AER's process, which as we understand also requires Board Approval, results in a significant period of time before a SAPS solution can be initiated. There is a risk that the DNSP owned and operated SAPS generators cannot be treated as a long-term solution with any financial certainty. This is because under the Guideline the waiver period is generally five years, aligning with a regulatory control period, and the AER has the ability to revoke a waiver by giving 40 business days' notice. The DNSP bears the commercial risk to provide the SAPS generator with no guarantee that it will receive its planned payback on its investment. This process should be re-considered to provide some regulatory certainty to DNSPs.

3.4 Connections and system security

Under the proposed framework, Chapter 4 (Power System Security) of the National Electricity Rules (NER) does not apply to or in respect of a regulated SAPS, unless provided for in the NER. Energy Queensland is concerned and seeks clarification from the AEMC on how the proposed DNSP-led SAPS framework ensure the management and maintenance of a secure power system. This is an important consideration in the design of a SAPS. Under this model, there is no dispatch protocol that aims to manage generators and embedded generators (EG) on the distribution SAPS network. Within Ergon Energy Network's isolated systems, there has been difficulty in managing multiple small-scale generators and micro EG connections (such as solar photovoltaic and batteries). In order to manage system stability due to the intermittency of customer connected renewables and the risk of excessive customer distributed energy resources (DER), resulting in reverse power flows, Ergon Energy Network are installing a Distributed Energy Resource Co-ordination System[1] in our isolated systems to enable customers to

[1] This is an automated system that is housed in Ergon Energy Network's Power Station and coordinates and dispatches customers DER.

install higher penetrations of DER while maintaining system stability. This requires close and centralised coordination due to a range of technical challenges, which further challenges the notion of a NEM framework.

Energy Queensland also highlights concerns around new connections. The AEMC in the Final Report of the DNSP-led SAPS framework considers that new customer connections to new SAPS should be provided by the competitive market. Energy Queensland considers that DNSPs should be able to provide SAPS to new connections as an alternative to a grid connection where it is technically and more economically feasible than providing a network solution. This will ensure DNSPs are able to provide services that are more affordable by improving cost efficiency and being adaptable and innovative in the delivery of supply solutions. In Energy Queensland's opinion it is not clear, why a DNSP is not allowed to deliver a supply solution through the most efficient means, for example, a network solution or SAPS solution. In addition, as non-grid supply affects a community, these decisions should be made at the jurisdictional and local level given the diverse ways to deliver supply.

In the Final Report for DNSP-led SAPS framework, the AEMC states that the only exception where DNSPs can offer a "new" connection is to an existing DNSP-led SAPS. There are concerns around managing new connections and alternations to the DNSP's SAPS network where a third-party owns and manages the SAPS generator. DNSPs may have difficulty in facilitating new connections, including additional DER connections, as the DNSP does not have control over the SAPS generator once it's been installed. This is because there are circumstances, for example, where the additional connection of DER of will impact system stability unless additional generation capacity is provided by the third-party generation provider. Energy Queensland has concerns about the impacts of this concept as it does not enable customer choice and is not a customer centric outcome. Under this scenario, a DNSP would be required to re-negotiate with the third-party generation provider to facilitate additional generation or changes to the generation capacity in order to allow the connection of additional DER with the SAPS. This will be a lengthy and potentially complicated process which again misses the mark on the underlying principle of developing this framework. The result is that the SAPS will not be designed to be truly competitive nor cost reflective, given that a SAPS exhibits natural monopoly characteristics.

In general, Energy Queensland supports DNSPs applying their connection policies to SAPS in the same manner as they would for grid-connected customers. However, there is a concern that the existing policies and the capital contribution threshold are not appropriate in their current form. Energy Queensland's distributors, Ergon Energy Network and Energex have finalised their connection policies to apply from 2020-2025 and these cannot be amended mid-period. As such, the design of the connection policy has not contemplated a SAPS distribution service and, as the supply model is not cost reflective, DNSPs should be provided an opportunity to consider whether amendments are required after the AER has determined whether the Connection Charge Guidelines are appropriate in the current form.

3.5 Drafting issues

Energy Queensland provides the following comments and suggested amendments in on the draft mark-ups for the NER and National Energy Retail Rules.

Rules References	Issue	Suggested amendments
3.15.4(c)	The drafting should reflect equivalent clearer drafting in clause 3.15.4(d).	Amend as follows: The adjusted *gross energy* amount for a *connection point* in a *regulated SAPS* for a *trading interval* is calculated by *AEMO* by applying the following formula:
3.15.4(c)	In the definition of ME, the reference to "regulated SAPS" should be in italics.	Replace "regulated SAPS" with "*regulated SAPS*".
3.15.6(a)(2)	Make the grammar in this clause consistent with paragraphs (1) and (3).	Insert a comma after "*regulated SAPS*" and before "is 1".
3.15.6A(c8)	Minor grammar error.	Insert a semi-colon after the word "*region*" in definition of Subscript R.
3.15.6A(c8) and 3.15.6A(c9)	The factors below the formula in each paragraph are not in the same case as in the actual formula.	Amend as follows in (c8): TA~~p,r~~$_{P,R}$ (in $) =*trading amount* payable by the *Market Customer* in respect of the relevant *region* and *trading interval*; TNSCAS~~s,p~~$_{S,P}$ the total amount payable by *AEMO* for the provision of the relevant *NSCAS* under an *ancillary services agreement* in respect of the relevant *trading interval*; RBF~~s,p,r~~$_{S,P,R}$ (number) = the latest regional benefit factor assigned to the provision of the relevant *NSCAS* under an *ancillary services agreement* in respect of the relevant *region* and *trading interval*, as determined by *AEMO* under paragraph (c7);

Rules References	Issue	Suggested amendments
		AGE~~p,r~~$_{P,R}$(in MWh) = the sum of the *adjusted gross energy* figures in respect of the *Market Customer's* relevant *connection points* located in the *region* for the relevant *trading interval*; and AAGE~~p,r~~$_{P,R}$ (in MWh) = the aggregate AGE~~p,r~~$_{P,R}$ figures for all Market Customers in respect of the relevant region and trading interval. Amend as follows in (c9): Ta~~p~~$_P$(in $) = the *trading amount* payable by the *Market Customer* in respect of the relevant *trading interval*; TNSCAS~~p~~$_P$ (in $) = the sum of all amounts payable by *AEMO* for the provision of *NSCAS* under *ancillary services agreements* in respect of the relevant *trading interval* minus the sum of the *trading amounts* calculated for all *Market Customers* in respect of all of the relevant *trading interval* under paragraph (c8); AGE~~p~~$_P$ (in MWh) = the sum of the *adjusted gross energy* figures in respect of all the *Market Customer's* relevant *connection points* for the relevant *trading interval*; and AAGE~~p~~$_P$ (in MWh) = the aggregate AGE~~p~~$_P$ figures for all *Market Customers* in respect of the relevant *trading interval*.
3.15.6A(f), (g) and (i)	The justification of the factors below each formula is Align Left and not full justification.	Apply full justification.
3.15.6A(o)(6)	The definition "*large SAPS generator*" is not defined in Chapter 10.	Replace "*large SAPS generator*" with defined term "*large SAPS generating unit*".
3.15.8(g)	The justification of the factors below the formula is Align Left and not full justification.	Apply full justification.
3.15.8(h)(6)(ii)	The definition "*large SAPS generator*" is not defined in Chapter 10.	Replace "*large SAPS generator*" with defined term "*large SAPS generating unit*".
3.21.1(b)(3)(i)	The reference to "financially responsible" should be in italics.	Replace "financially responsible" with "*financially responsible*".
3.21.1(b)(3)(vii)	The references to "administered price cap" and "administered floor price" should be in italics.	Replace "administered price cap" and "administered floor price" with "*"administered price cap"* and *"administered floor price*".
3.21.1(b)(3)(viii)	The reference to "restriction shortfall amounts" should be in italics.	Replace "restriction shortfall amounts" with "*restriction shortfall amounts*".
3.21.1(b)(4)	The reference to "participant compensation	Replace "participant compensation fund" with "*Participant compensation fund*".

Rules References	Issue	Suggested amendments
	fund" should be in italics and the first word capitalized to align with the defined term in Chapter 10.	
3.21.1(e)(1)	The reference to "central *dispatch*" should all be in italics.	Replace "central *dispatch*" with "*central dispatch*".
3.21.2(b)	Energy Queensland proposes clarifying the drafting.	Amend as follows: For the purposes of paragraph (a), the average is calculated by adding the *regional reference prices* for the node for all *trading intervals* in the prior *financial year* and dividing the result by the number of *trading intervals* in the *financial year*.
3.21.2(c)	Energy Queensland proposes including a long stop date by which AEMO must publish the SAPS settlement price to ensure that it is available for settlement purposes. AEMO to provide number of business days in which it can achieve this requirement.	Amend as follows: *AEMO* must as soon as practicable *(and in any event no later than [X] business days)* after the start of a *financial year* determine and *publish* the *SAPS settlement price* for each *regional reference node* for the *financial year*.
5.1.2(d)	In the seventh and twelfth lines of the Connection Applicant column in the table in this clause, the reference to "non-registered embedded generator" should be italicized as the term is defined in Chapter 10.	Replace "non-registered embedded generator" with "*non-registered embedded generator*"
5.13.4(a) and 5.13.4(h)(5)	Should the SAPS customer engagement strategy also deal with engaging with landowners?	Include "and landowners" after "affected network users".
5.13.4(j)(i)	There appear to be some missing words in this clause.	Amend to read: "each person who at the time of giving the notice is supplied with a *distribution service* by means of the *network* that will form part of the *regulated SAPS*;
5.17.4(b), (e) and (i) 5.17.4(i)(1)(i) and (ii)	Minor grammar errors.	Replace "a" before "options screening report" with "an".
5A.A.1	In the definition of "basic connection service" the reference to "non-registered *embedded generator's*" should be fully italicized as the term is defined in Chapter 10.	Replace "non-registered *embedded generator's*" with "*non-registered embedded generator's*".
Schedule 5.8(d1)	Incorrect font used for "*adoptive SAPS network*"	Replace "*adoptive SAPS network*" with "adoptive SAPS network".

Rules References	Issue	Suggested amendments
	as this term is defined in 5.10.2 and not Chapter 10. Remove italics.	
Schedule 5.9(a)	An undefined term "participating SAPS jurisdiction" has been used.	Replace "participating SAPS jurisdiction" with the term "adoptive SAPS jurisdiction" which is defined in clause 10.2.
6.2.1A	In the note, the undefined term "*generation system*" has been used.	Replace "*generation system*" with the term "*generating system*" which is defined in Chapter 10.
Chapter 10	The defined term "**SAPS adjustment market transaction**" is not used. Instead, the term "SAPS adjustment transaction" is used in clause 3.21.3(a). Energy Queensland also suggests some drafting improvements to the definition.	Amend the definition as follows: ***SAPS adjustment ~~market~~ transaction*** A transaction ~~as defined pursuant to clause 3.21.3(a)~~ which occurs in relation to *SAPS energy* as more particularly described in clause 3.21.3(a).